

TODAY: MONEY
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Mandela Defends Ties With Cuba and Libya

He Praises U.S., But Proclaims Independence

By R.W. Apple Jr.
New York Times Service

CAPE TOWN — President Nelson Mandela of South Africa praised President Bill Clinton and some of his policies Friday as Mr. Clinton stood beside him in the midday sun, but he stoutly defended his right to remain friendly with nations the United States considers rogues, like Libya.

He also suggested, fondly but firmly, that "the United States, as the leader of the world, should set an example to all of us" by reaching out to its enemies and saying, "Let's sit down and talk peace."

The standing of the United States would be "tremendously enhanced," he said. A South African minister explained later that he had been referring to Cuba, among others.

Mr. Clinton listened intently, his face betraying no emotion. It was an extraordinary moment. The rules of the diplomatic game do not permit the leader of one country to lecture the leader of another. But Mr. Mandela has such towering, worldwide moral authority that the rules do not really apply to him, and American officials took no offense at his remarks.

Mr. Clinton has made it clear at every stop on his 12-day tour of Africa that the United States found full partnerships with the continent's young states, rather than the unequal relationships of the



Boris Yeltsin, left, and Sergei Kiriyenko in Moscow on Friday. The president warned he would dissolve the Duma if it rejected the nomination.

Combative Yeltsin Names Kiriyenko

President Formally Nominates Russia's Acting Prime Minister

By Alessandra Stanley
New York Times Service

MOSCOW — Impulsively and combatively, President Boris Yeltsin named Sergei Kiriyenko, a little-known technocrat, as the new prime minister of Russia on Friday and warned that he would disband Parliament if it rejected the nomination.

Mr. Kiriyenko, a reform-minded banker from Nizhni Novgorod who was named fuel and energy minister only four months ago, was hastily selected Monday after Mr. Yeltsin stunned the nation by firing his longtime prime minister Viktor Chernomyrdin.

Mr. Yeltsin had initially announced that he would act as prime minister until a new one could be found.

When panicked aides later explained that this was unconstitutional, Mr. Kiriyenko was given the job temporarily.

Given the dearth of viable alternative candidates, many Russians suspected that Mr. Kiriyenko would receive the nomination for prime minister. But the slight, bespectacled 35-year-old was nevertheless an astonishing choice.

Like many of today's young business and government leaders, Mr. Kiriyenko joined the Communist Party in his youth and worked in the Komsomol youth league. But when the Soviet Union collapsed, he helped found a bank in Nizhni Novgorod, an early laboratory for economic reform, and briefly headed the nation's third largest refinery, Norsi Oil. He represents a radically different generation than his predecessor, Mr. Chernomyrdin, 59, who never entirely shook off his Soviet mentality.

So far, Mr. Kiriyenko has proved sober and self-effacing. Amid the clatter of commentary and speculation that followed his nomination, he declined to name future cabinet appointees, or even speak of his own nomination in the first person. Asked repeatedly about the composition of his cabinet, Mr. Kiriyenko replied quietly, "There is no point in talking about personalities before the prime minister's candidacy is formally approved."

Mr. Yeltsin fired Mr. Chernomyrdin partly because he and his aides worried

Stocks rise in Moscow. Page 13.

But there is a streak of recklessness to the strategy. If Mr. Yeltsin, whose health is not good, should die or become incapacitated, Mr. Kiriyenko would take over for three months until new elections are called. Mr. Yeltsin would leave the country — and the nuclear button — in the hands of an untested neophyte.

Mr. Yeltsin, who fears becoming a lame duck, has not shut down efforts by some partisans to appeal to the constitutional court to allow him the option of seeking a third term. The choice of an unthreatening, interim figure like Mr.

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Netanyahu Opts for the Middle Road

Again Seeking to Strike a Deal, Israeli Leader Meets U.S. Special Envoy

By Doug Struck
Washington Post Service

JERUSALEM — Twenty-two months after he was elected, Prime Minister Benjamin Netanyahu remains the skilled tactician who seems constantly on the brink of disaster but always survives.

Even now, as Mr. Netanyahu seems caught between angering the U.S. government or risking the fall of his own, friends and foes alike predict he will find a middle road that will please few but avoid political catastrophe.

To that end, Mr. Netanyahu met for four hours Friday with President Bill Clinton's special envoy to the Middle

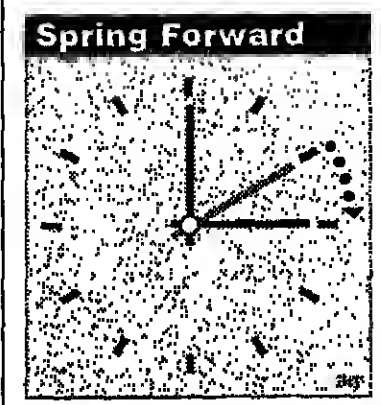
East, Dennis Ross, in try to fashion a compromise over how much more West Bank territory Israel is willing to cede to the Palestinian Authority. The Clinton administration is proposing 13.1 percent; Mr. Netanyahu has publicly

NEWS ANALYSIS

offered 9.5 percent. Neither official commented after the meeting.

But they scheduled another meeting for Saturday after Mr. Ross has had a chance to confer with Yasser Arafat, the Palestinian leader, in Ramallah and President Hosni Mubarak of Egypt in Cairo. Israeli news reports said Mr. Netan-

See ISRAEL, Page 4



Clocks go forward one hour in most European countries this weekend with the switch from winter time to summer time. Clocks should be put forward at 0100 GMT on Sunday. Daylight time begins next weekend in the United States and Canada.

Asian Crisis Tests Thai Firm's China Investment

By Joseph Kahn
New York Times Service

HONG KONG — It was only a year ago that Dhanin Chearavanont, chairman of the Thai conglomerate Charoen Pokphand Enterprises PCL, was dispensing wisdom about how to succeed in China, where he had become, by many estimates, the largest and most influential foreign investor.

At the opening of Charoen Pokphand's latest joint venture, an enormous warehouse-style department store in Shanghai, Mr. Dhanin entertained senior Chinese officials and shared his insights from two decades of investing there. Think long term. Be patient for profits. Transfer technology, not just capital. Never dismiss Chinese employees.

Unfortunately for Mr. Dhanin's company, and perhaps for China, strategies like that may be a relic of the exuberant past in Asia, when double-digit economic growth, free-flowing bank financing and restrained shareholders covered a multitude of investment mistakes.

Today, as banks press Charoen Pokphand to repay about \$1 billion in foreign-currency debt, it has quietly put many of its prized China investments up for sale, laid off hundreds of Chinese staff members, and jettisoned some money-losing joint ventures.

The company is not withdrawing from China. Its assets there remain huge — 130 affiliated companies valued at \$2 billion to \$4 billion, led by a network of

See CHINA, Page 4

Newstand Prices

Andorra	10.00 FF	Lebanon	11.3000
Antilles	12.50 FF	Morocco	16.00
Cameroon	1.600 CFA	Qatar	70.00 CFA
Egypt	2E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	12.50 CFA
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20

City of School Killings Copes With Grief and Anger

By Rick Bragg
New York Times Service

JONESBORO, Arkansas — This is a town that has learned to cherish a slow day.

Most days, Dennis Woody and the other paramedics at Emerson Ambulance have a nice, long wait between calls, and sit talking in the soft, second-hand sofa, watching television, thinking how they could throw darts at the unmolested dashboard, if they wanted to.

On Tuesday, a day that forever altered the lives of so many in this small city, Mr. Woody found himself on his knees in a blood-spattered school yard, trying in vain to make a young girl live again as her father stood over him and chanted, "Come on, come on, come on."

Most days, T.J. Kelley of radio station KFIN cracks jokes, reports on soybean futures, and spins country music ballads for lovesick teenagers, helping to heal broken hearts that are never really broken all that much.

"God did not leave Jonesboro," mourners are told at rites for one of the young victims. Page 3.

Now, he tries to help young listeners who feel guilty for just being alive while their classmates and friends are dead from a hail of bullets, and pours words out onto the airwaves that remind this place how good and decent it was before this, and will be again.

Most days, Mitchell Faught, who has run the flower shop for 34 years, and Grover Cooper, longtime superintendent of schools, join other older men in the McDonald's to drink coffee, read newspapers, and joke about Mr. Cooper's impending retirement.

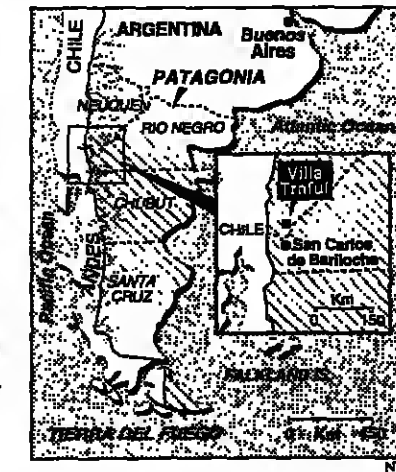
On Thursday, as four of his students and a teacher lay in funeral homes and two young schoolmates sat in jail, charged in the killing, the talk was kinder than usual.

"How you doing, Grover?" Mr. Faught asked.

"I'm going to be fine," Mr. Cooper said.

Most people here say that. They will be fine, only different.

Jonesboro, which is expected to pass 50,000 in population if the next census is kind, will always be



The Jet Set Starts to Land in Patagonia

By Anthony Faiola
Washington Post Service

VILLA TRAFUL, Argentina — Memo Lariviere, Ted Turner and Jane Fonda's next-door neighbor in Patagonia, a land so sparse and vast it would take her an hour by Jeep to borrow a cup of sugar from the glamorous couple, stood near a lake and proudly pointed toward a windswept peak.

"That's my mountain," said the Argentine socialite on her ranch near the bottom of the Earth. She then swung her finger toward a neighboring Andes summit. "And over there, that one is

See PATAGONIA, Page 4

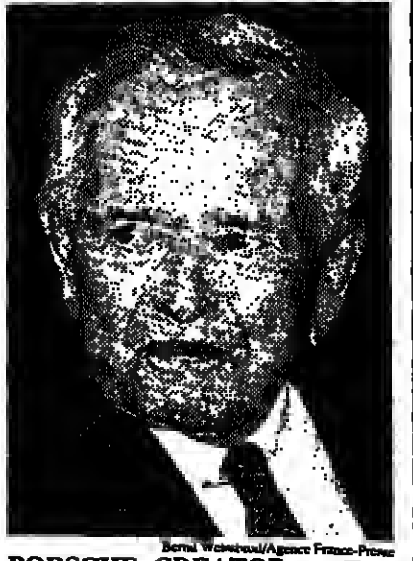
AGENDA

Europe's Defense Firms Miss a Deadline	
Europe's three biggest aerospace-defense companies on Friday affirmed their intention to merge into a more formidable competitor to U.S. rivals, but they failed to agree on a timetable or specifics of an eventual deal.	
Responding to a virtual order from their governments to agree on a plan by the end of March, British Aerospace	
PLC, Aerospatiale of France, Deutsche Aerospace AG and Construcciones Aeronauticas SA of Spain said they wanted to merge but had not found a mutually agreeable solution.	
"Everyone is really still working on their own agenda, the one that suits their national interest," an analyst at ABN-AMRO said. Page 11.	
Bundesbank Gives the Euro Its Blessing	
After years of voicing doubts over Europe's planned single currency, Germany's Bundesbank said Friday that the project should be allowed in principle.	
The green light from the central bank allowed Bonn's political establishment to endorse the full list of 11 countries	
deemed eligible to join the new single currency, the euro.	
But even as it deemed the inauguration of the common currency "justifiable," the Bundesbank also assailed high debt levels in Italy and Belgium, which both rank among the 11 founding nations. Page 11.	
The Dollar	
New York	Friday @ 4 P.M. previous close
DM	1.8258 1.8205
DM	1.8258 1.8205
Yen	130.32 128.455
FF	6.122 6.101
The Dow	
Friday close	previous close
-50.51	8788.08 8848.89
S&P 500	
Friday @ 4 P.M.	previous close
-4.93	1098.62 1101.55
Books	Page 8.
Crossword	Page 8.
Opinion	Page 6.
Sports	Pages 20-21.
The Intermarket	
Page 10.	
The IHT on-line www.ihon.com	

Cuba Rebuffs Offer Of Direct U.S. Aid

VATICAN CITY (AFP) — Cuba's foreign minister, Roberto Robaina, said Friday that Havana would refuse all direct humanitarian aid from the United States as long as Washington maintained its embargo on Cuba, Italy's ANSA news agency reported.

He spoke three days after Madeleine Albright, the U.S. secretary of state, visited Rome and described humanitarian measures Washington would take to help the Cubans.



PORSCHE CREATOR — Ferdinand (Ferry) Porsche, the German industrialist, is dead. Page 5.

EUROPE Page 2.
Serbs Increase Kosovo Forces
THE AMERICAS Page 3.
An Unusual Turn in Quebec Politics

Serbian Police Buildup Is Reported in Kosovo

By Lee Hockstader
Washington Post Service

PRISTINA, Yugoslavia — Serbian forces in the volatile southern province of Kosovo have been beefed up in recent days despite repeated international demands that Belgrade withdraw its paramilitary police and defuse a standoff with secessionist rebels, U.S. officials said.

A high-ranking U.S. diplomat said that several hundred Serbian Interior Ministry police had been added to existing forces. The buildup has contributed to tensions in the central Kosovo region of Drenica, west of the provincial capital, Pristina, where more than 80 ethnic Albanians, including women and children, have died in the last month in a crackdown by Serbian forces.

The introduction of new Serbian forces in Kosovo, nearly three weeks

after the United States first demanded Serbian forces be withdrawn, underlines the limits of Washington's influence in what is widely seen as an explosive new conflict in the Balkans.

President Slobodan Milosevic of Yugoslavia, under whose thumb the Serbian police serve, refused again Friday to meet with Robert Gelbard, President Bill Clinton's special envoy to the Balkans.

Mr. Gelbard, who was in Belgrade and Pristina, met Thursday with other high-ranking Serbian leaders.

The snub by Mr. Milosevic came after a meeting of foreign ministers of the United States, Russia, France, Germany, Italy and Britain, in which Washington was unable to convince its allies to go along with tough new sanctions against Belgrade over Kosovo. Instead, the Balkans Contact Group on Wednesday gave Mr. Milosevic another month to start a dialogue with ethnic Albanians in Kosovo and pull out his paramilitary forces from the province.

In Pristina, Mr. Gelbard denounced the "continued and deepening and apparently permanent presence of the special police," which he said "has created an environment that is not conducive at all to further progress" on Kosovo.

Another diplomatic source said the current Serbian buildup in Kosovo included the same special forces unit that were used in a major paramilitary police assault on ethnic Albanians in the village of Prekaz on March 6. Dozens of ethnic Albanians died in that incident, triggering international condemnation and the threat of sanctions.

About 90 percent of Kosovo's 2 million people are ethnic Albanians, but they are dominated politically and economically by the Serbs. Although the Serbian portion of Kosovo's population has been declining for decades, Serbs still consider the province to be the cradle of their civilization and insist it must remain part of Serbia.

Mr. Gelbard, reaffirming a key demand of the Contact Group, urged Albanian and Serbian leaders on Thursday to move toward negotiations on Kosovo's status. The province enjoyed substantial autonomy until 1989, when Mr. Milosevic revoked it unilaterally.

Mr. Gelbard met with the ethnic Albanian leader, Ibrahim Rugova, and his new 15-member advisory council to press them on moving toward talks with Belgrade. So far, though, the politically fractious Albanians seem prepared only for talks among themselves about talks.



Serbian students protesting on Friday in Pristina. Thousands took part in the demonstration in favor of continuing Serbian rule of Kosovo.

UN Arms Inspectors Spend a 2d Day At One of Saddam's Largest Palaces

Agence France-Presse

BAGHDAD — United Nations weapons inspectors and diplomatic observers carried out a second day of inspections of the Iraqi capital's Radwanaya presidential palace complex on Friday, officials said.

"We are doing a job of work and we will continue it today," said Jayantha Dhanapala, head of the Special Group of UN inspectors charged with examining presidential sites in Iraq.

He refused to say whether the inspectors would be returning to the Radwanaya palace, which they entered Thursday in the first test of an agreement between the United Nations and Iraq that opened the presidential sites to inspection.

But Iraqi officials confirmed that the inspectors had returned to the Radwanaya palace on Friday.

A two-car convoy carrying Deputy Prime Minister Tariq Aziz of Iraq followed the UN inspectors and diplomats as they set out on Friday.

Iraqi officials said that Mr. Aziz was "supervising" the inspection but

refused to confirm whether he had accompanied inspectors into the palace.

Mr. Aziz signed the Feb. 23 agreement with the UN secretary-general, Kofi Annan, that opened up eight presidential sites for inspection.

Iraqi officials also said that Oil Minister Amer Mohammed Rasheed had accompanied inspectors Thursday and on Friday.

The Radwanaya complex of President Saddam Hussein, 15 kilometers (10 miles) west of Baghdad, is one of the largest of the eight presidential sites.

The initial visits of the eight sites are expected to take approximately two weeks, Mr. Dhanapala said Friday.

He said that Thursday had been "a hard, long day."

"We worked hard, we came back very late at night," he said.

Mr. Dhanapala refused to comment on how the inspection had gone, but he said he was sure that both sides intended to fulfill the Feb. 23 accord.

Jews and Catholics Plan Further Holocaust Probe

By Celestine Bohlen
New York Times Service

ROME — In sessions that were described as intense, frank and at times profoundly religious, Jewish and Catholic leaders met this week in the wake of the Vatican's much-criticized statement on the Holocaust. They agreed that, together, they would dig deeper into the historical record of the period, a move described by a leading American rabbi as "a significant step."

Several Jewish members of the International Catholic-Jewish Liaison Committee, which has been meeting on and off for 30 years, said they had relayed their dissatisfaction with the Holocaust statement at a meeting Thursday with Pope John Paul II.

"I told him that the document could have been more emphatic insofar as the church admitting its institutional guilt," said Henry Sobel, a senior rabbi from Sao Paulo and a representative of the Latin American Jewish Congress, who added that he had gone on to list other criticisms of the text.

The Vatican document on the Holocaust, issued March 16, disappointed some leaders of Jewish organizations who had expected a more thorough and candid exploration of the church's conduct during the Nazi era. But most Jewish participants were also quick to temper their criticism with praise for Pope John Paul II, who has done much to improve relations.

The document itself, in the words for 11 years, called for an "act of repentance" on behalf of Catholics who during the Holocaust failed to live up to the moral demands of their faith. But it also went on to praise Pope Pius XII, the wartime pope whose long silences about Nazi atrocities has become a central issue in continuing debates about the church's conduct during the period.

Several Catholic historians have argued that Pius XII, whose 1937 condemnation of Nazism led to anti-Catholic persecutions, later avoided public denunciations and tried instead to use quiet diplomacy to save Jewish lives.

But the debate has been fueled by the Vatican's refusal to open its wartime archives to independent scholars. Under the Vatican's rules, they must remain sealed for 20 more years. The church insists that all relevant materials on its wartime conduct have already been published in 11 volumes of documents released from 1965 to 1981 under the

direction of Vatican-approved scholars. But at the meetings this week, several of the Jewish participants insisted, as they have before, that the documents that have been released are not complete.

Participants said that Gerhard Riegner, honorary vice president of the World Jewish Congress, noted that a message he had delivered in 1942 to the papal nuncio in Switzerland about the unfolding atrocities against Jews in Europe was not among the released documents.

"We have repeatedly asked for access to the wartime archives so that the full truth of the period can be known," said Tommy Bear, international president of B'nai B'rith and a member of the liaison committee. "The unpublished documents might well disclose positive aspects of church conduct."

The Jewish side was unanimous in welcoming a proposal by Edward Cardinal Cassidy, chairman of the Vatican's committee on relations with the Jews, for a joint investigation of the published materials, which will examine what documents are missing.

BRIEFLY

4 in Crew Charged In Ski-Lift Deaths

WASHINGTON — The four-man crew of a U.S. Marine jet that severed a cable-car wire in the Italian Alps has been charged with involuntary manslaughter, negligent homicide, destruction of duty and damage to military and private property, the Marine Corps said Friday.

The charges follow an investigation that blamed the crew for causing the Feb. 3 disaster, which sent 20 Europeans in the ski lift to their deaths. Investigators concluded that the plane — an EA-6B Prowler surveillance jet — was flying too low and too fast, not only at the time it sliced the wire but also repeatedly during the training flight.

The aircraft and crew are part of a squadron, normally based in North Carolina, that was on temporary assignment in Aviano, Italy, as part of the Bosnian peacekeeping mission. NATO's military commander earlier rejected Italy's request that the four officers be handed over to Italy for prosecution.

By moving quickly to press charges against the crew, senior officials have tried to quell the public and political outrage that the accident triggered in Italy. (WP)

French Centrist Out

ORLEANS, France — A second French centrist renegade who set off a political dispute by making an election deal with the far right National Front resigned Friday amid continuing controversy across France.

Bernard Harang of the Union for French Democracy announced he was resigning as president of the Center regional assembly, a post he secured a week ago with the help of National Front votes. (AFP)

Germany Bars Easing of Rules On Immigration

By William Drozdiak
Washington Post Service

BERLIN — Chancellor Helmut Kohl's government rejected a major revision of Germany's citizenship laws Friday, provoking criticism even within his conservative governing coalition over its failure to make it easier for the nation's 7 million foreigners to integrate into German society.

Mr. Kohl's Christian Democrats voted down a proposal by the opposition Social Democrats to allow third-generation immigrants who are born here to hold two passports until the age of 16 and then be able to choose either German nationality or that of their parents.

The children of immigrants from Turkey, Yugoslavia, Italy and Greece who began arriving in the 1950s during the postwar economic boom have changed the face of Europe's largest nation in recent years, transforming Germany into a multicultural society.

More foreigners live here than in any other European country, but Germany has resisted efforts to alter its strict citizenship law dating back to a 1913 imperial edict that bases nationality on bloodlines rather than birthplace.

Many second- and third-generation foreigners born and raised here have not been able to become citizens, leaving them bereft of rights to vote or hold government jobs and deepening their alienation.

Some younger members in the center-right ruling alliance urged the government to back reforms to defuse growing social tensions among Germany's foreign population. But Mr. Kohl has refused to consider any change in the citizenship law and demanded that all coalition members vote against the bill or accept responsibility for the government's collapse.

Guido Westerwelle, general secretary of the Free Democrats, the junior partner in Mr. Kohl's government, lamented the fact that his party was forced to vote against its convictions in the interest of keeping alive the ruling alliance before the September national election.

N.Y. Saves Guinea Pigs From a Fate in Central Park

By Douglas Martin
New York Times Service

NEW YORK — In a city that has had enviable success in solving its serious crimes, this was one of the more benign: Several dozen South American guinea pigs had been illegally released in Central Park, a strange land where they would surely meet their death.

The police said Thursday that they had found the culprit, and, perhaps more importantly, parks workers had even rescued most of the guinea pigs.

The apparent motive for the crime? Their owner was being evicted from his apartment in public housing in the Chelsea area of Manhattan, and needed to get rid of them. And fast.

The suspect, Youri Cheng, could face two years in prison for each guinea pig that he released, the police said. That's 86 years, although such a stiff sentence is considered unlikely.

Meanwhile, the 33 surviving victims that have been recovered since last week are being offered for adoption. The other 10 are still missing, with dwindling hope for their rescue.

The release of the calico-colored animals into a park rife with predators, from rats to hawks, shocked the city over the weekend as people worried about the animals' fate and mused about the culprit's motive. The BBC, among dozens of out-of-town news organizations, covered the crime.

Parks Commissioner Henry Stern

said Mr. Cheng, 27, was being evicted from his apartment and appeared to act in the belief that he was helping his pets by freeing them in the park.

"It appears the action of this individual was more pathetic than it was monstrous," the commissioner said.

A spokesman for the city Housing Authority, Hilary Gross, said keeping the guinea pigs in public housing was also a violation. The authority's rules allow tenants to own one pet, if it is properly registered.

Investigators from the Parks Department and the American Society for the Prevention of Cruelty to Animals said the suspect was found with the help of an informant, who had apparently helped Mr. Cheng take the cage full of

animals to a taxi. Mr. Cheng then went to Central Park alone, and released the guinea pigs near Central Park's Conservatory Garden, the investigators said.

But he was observed releasing the animals by park personnel, who rescued 18 of the pets. Mr. Stern said. In the next few days, 15 more animals were recovered. Mr. Cheng told the investigators that there were 43 altogether.

The outlook for the animals still at large is dim, Mr. Stern said.

"We're afraid that because of the snowstorm last weekend, there isn't a lot of hope," he said.

The captured animals have been tested for diseases and have been declared safe for adoption.

TRAVEL UPDATE

Ducal Palace of Urbino

Reopens After Quake

ROME (Reuters) — Urbino's famed ducal palace reopened Friday after inspectors said cracks that appeared in its walls after a big earthquake in central Italy were "nothing to worry about."

The epicenter of the quake Thursday was in the Umbrian village of Gualdo Tadino, about 40 kilometers (25 miles) from Assisi. An injury was reported in the quake but there was considerable concern for the Renaissance treasures of the walled town of Urbino, just 50 kilometers from the epicenter, where plasterwork fell from buildings.

Urbino's 15th century ducal palace was built by Duke Federico da Montefeltro and was the setting for Baldassare Castiglione's 16th century handbook of courtly behavior, "The Courtier." The city is also the birthplace of Raphael.

Germans Lower Limit On Drunk Driving

On Drunk Driving

BONN (AP) — Parliament lowered Germany's drunken driving limit Friday, threatening offenders with breach the new threshold with a fine of 200 Deutsche marks (\$110). Under the new law, to take effect next month, anyone caught driving with a blood-alcohol level of 0.05 percent will be considered legally drunk. The old limit, 0.08 percent, remains the trigger for suspending a driver's license.

Athens Moves to Restore Power

The Associated Press

ATHENS — Almost a quarter of the 5 million residents in Athens remained without electricity Friday, as crews struggled to clear fallen trees and fight back floodwaters following a violent storm that battered the country.

In the mountainous regions outside Athens, many villages remained cut off by deep snow that fell during the two-day storm.

Torrential rain and near hurricane-force winds, which began Wednesday, reached speeds of 117 kilometers an hour (73 mph), felling trees that snapped power lines and water pipes.

Ports throughout Greece were closed Thursday. One man died on the island of Rhodes when he was swept out to sea by huge waves.

Rescuers worked through the night Thursday to free 28 people stranded by

snow that reached more than 2.5 meters (eight feet) near a ski resort on the mountain of Parnassos. At least 130 villages around the country were reportedly snowed in.

About 200 families in northwestern Athens were left homeless by flooding. Crews were pumping water out of thousands of homes around the city.

Despite an improvement in the weather Friday in most parts of Greece, many main highways were still blocked by snow, floodwater and mud slides.

The southern city of Tripoli was almost completely cut off, while few roads in the northern regions of Macedonia and Thrace were open, according to news reports.

Many schools remained closed Friday because they lacked electricity and heat. The authorities have appealed to the public to limit electricity consumption.

Light Returns to Auckland — but Flickers

Compiled by Our Staff From Dispatches

AUCKLAND, New Zealand — After five weeks without power, New Zealand's largest city saw the light again Friday when a new emergency cable was flicked on. But hours later, the cable failed, trapping people in elevators and snarling traffic.

The foul-up was remedied later in the day, but not before causing confusion and embarrassment.

"Our timing couldn't be much worse," said Patrick Strange, planning

director of the city utility, Mercury Energy.

Only hours after Mercury Energy said there would be no more power cuts, the wave of outages hit about a quarter of the commercial inner-city zone.

Starting Jan. 22, all four cables feeding electricity into the commercial zone failed. Mercury has said unusually hot weather during January and February was the most likely cause of the cable failures, but full technical investigations have yet to be completed. (AP, Reuters)

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Europe

	Today	Tomorrow	Day After
Algeria	10/54 17/62	11/58 17/68	11/58 17/68
Amsterdam	10/54 17/62	11/58 17/68	11/58 17/68
Antwerp	10/54 17/62	11/58 17/68	11/58 17/68
Athens	10/54 17/62	11/58 17/68	11/58 17/68
Berlin	10/54 17/62	11/58 17/68	11/58 17/68
Bombay	10/54 17/62	11/58 17/68	11/58 17/68
Buenos Aires	10/54 17/62	11/58 17/68	11/58 17/68
Calcutta	10/54 17/62	11/58 17/68	11/58 17/68
Chennai	10/54 17/62	11/58 17/68	11/58 17/68
Colombo	10/54 17/62	11/58 17/68	11/58 17/68
Dhaka	10/54 17/62	11/58 17/68	11/58 17/68
Delhi	10/54 17/62	11/58 17/68	11/58 17/68
Dubai	10/54 17/62	11/58 17/68	11/58 17/68
Frankfurt	10/54 17/62	11/58 17/68	11/58 17/68
Geneva	10/54 17/62	11/58 17/68	11/58 17/68
Hong Kong	10/54 17/62	11/58 17/68	11/58 17/68
Kuala Lumpur	10/54 17/62	11/58 17/68	11/58 17/68
London	10/54 17/62	11/58 17/68	11/58 17/68
Los Angeles	10/54 17/62	11/58 17/68	11/58 17/68
Madrid	10/54 17/62	11/58 17/68	11/58 17/68
Mumbai	10/54 17/62	11/58 17/68	11/58 17/68
Osaka	10/54 17/62	11/58 17/68	11/58 17/68
Paris	10/54 17/62	11/58 17/68	11/58 17/68
Rangoon	10/54 17/62	11/58 17/68	11/58 17/68
Seoul	10/54 17/62	11/58 17/68	11/58 17/68
Singapore	10/54 17/62	11/58 17/68	11/58 17/68
Taipei	10/54 17/62	11/58 17/68	11/58 17/68
Tokyo	10/54 17/62	11/58 17/68	11/58 17/68
Yokohama	10/54 17/62	11/58 17/68	11/58 17/68

North America

	Unreasonably Cool	Unreasonably Mild	Heavy Rain	Hot Dry
North America	<p>Windy and cool with showers in the Southwest Sunday to Tuesday. Windy with thunderstorms from Texas to the central Plains, with heavy downpours and possible severe weather. The eastern third of the country will be dry and unreasonably warm with sunshine. Dry and pleasant</p>	<p>Europe</p> <p>Dry and warm with some sunshine in most of central and western Europe Sunday, but a storm causing rain over western France and the British Isles. If it moved northward, it will spread rain and gusty wind across most of France and Germany Monday and southern Sweden and Finland Tuesday.</p>	<p>Asia</p> <p>Cloudy with rain in Beijing Sunday, then dry and clear Monday and Tuesday. Steady rain will soak the entire China through the weekend. Heavy rain in southeastern China. The Philippines will be warm with light rain showers. Probably dry in Tokyo, but rain is the rule over Kyushu and Shikoku</p>	

Mourning a Murdered Schoolgirl

'God Did Not Leave Jonesboro,' Pastor Says at First of 5 Funerals

JONESBORO, Arkansas — Those who loved Paige Ann Herring and those who knew her only in death gathered Friday to mourn and to remember. A minister told them they must be a "beacon of hope" to the world.

About 500 people packed the chapel at the Farmers Union Funeral Home for the first of five funerals for the Westside Middle School shooting. Paige Ann was less than two weeks past her 12th birthday when she, three schoolmates and a teacher were shot and killed in the ambush Tuesday.

"God did not leave Jonesboro on Tuesday," the Reverend Gary Cremins told mourners. "God wants us to be a beacon of hope, light and love to a world that needs it so badly."

"The healing cannot begin until we forgive," he said.

One little girl in the second row clutched a brown teddy bear and sobbed as the theme from "Titanic," Celine Dion's hit "My Heart Will Go On," was played.

A pink and white bouquet stood on Paige's casket, and nearby was a photograph of the dark-haired youngster in a red basketball uniform, holding a ball and sitting next to some trophies.

On Thursday night, friends and classmates hugged one another and cried as they waited to walk by Paige's open casket during visitation.

Photos of Natalie Brooks at different ages were to the right of her closed casket at a separate visitation. One showed a toddler, dressed in a white bunny costume, while she wore a pink formal dress in a recent photograph. She was 11. Her funeral was to be held later Friday.

Services are scheduled Saturday for the three other victims, Shannon Wright, 32, who taught at the school, and Stephanie Johnson and Brittany Varner, both 12.

SCHOOL: Jonesboro Copes

Continued from Page 1

known, at least partly, as the Arkansas city where two boys, 13 and 11, and dressed in camouflage as if they were going deer hunting, shot and killed four of their classmates and an English teacher in a rain of bullets that also wounded 10 other children.

Before that, it was just a place to live and work and raise children, where the worst thing that had ever happened was a 1983 bus accident that killed eight people: a tragedy, but something they could understand.

Jonesboro is a place where only one store carries Playboy magazine, and you have to ask for it "under the counter." There are no blinking beer signs or hotel happy hours because there is no booze — the county is dry as old bones — and faith in God is a given.

Both of the two boys charged in the killing were given Bibles as they were locked away. One of them asked Sheriff Dale Haas if he had "any Bible thoughts" that might help him through his ordeal.

"When you hear people say, 'It isn't supposed to happen here,' what they're saying is, 'This is not the atmosphere that breeds this sort of violence,'" said John Deresbach, assistant minister of music at Central Baptist Church.

That is why people in this mostly white, largely blue-collar college town get angry when they hear psychiatrists talk on daytime television about how

Suspect 'Wants to Go Home'

Sam Howe Verheven of The New York Times reported earlier from Jonesboro: The older boy calmly asked for a Bible and a minister, the local sheriff said, while the younger one cried and pleaded that he "wants his mama, and he wants to go home now." Both asked if they could trade their lunch of corn bread, white beans and baked chicken for a pizza. They were told no.

And as 13-year-old Mitchell Johnson and 11-year-old Andrew Golden sat in a juvenile detention center, charged with the shootings that left four of their schoolmates and one teacher dead, Mitchell's father, Scott Johnson, said the boy was full of shame and contrition but had offered no explanation of what had led him to kill.

Mr. Johnson, 36, a cross-country trucker, said he was driving through Fort Worth when he heard of the shootings on his radio Tuesday. He called Jonesboro to see whether Mitchell was safe, and learned he was in custody. He dropped his trailer and drove here in the cab.

The father, who is divorced from Mitchell's mother and lives in Minnesota, described a brief meeting with his son on Wednesday.

"He broke down in my arms and he wept, and he just said over and over he was sorry and he wished he could take it back. He was very, very remorseful."

The two are accused of luring students out of Westside Middle School with a false fire alarm, then killing the four and their teacher in a hail of bullets fired from a small arsenal of rifles and pistols — all because Johnson had been jilted by a girl, classmates said.

The police found weapons and hundreds of rounds of ammunition in a van the boys apparently intended to use as a get-away car. Ten people were wounded in the shooting spree that left the

school pockmarked with bullet holes. Amid the grief that pervades Jonesboro, palpable in conversations and visible in the ubiquitous white ribbons and road signs expressing condolences and words of prayer, there is also anger over the apparently limited prospects for punishing the two boys. Under the state's juvenile-sentencing laws, both may well be released by their 18th birthdays, even if they are convicted on every charge stemming from the five killings.

In Washington, Attorney General Janet Reno said she was exploring whether it was possible to charge them under federal laws and, if so, whether the older boy might be tried as an adult. That could result in harsher penalties, but legal experts said the grounds for trying Mitchell as an adult were extremely limited.

In any event, such maneuvers, which many people in Jonesboro are demanding, would still be unlikely to keep either boy in custody beyond the age of 21.

The Craighead County sheriff, Dale Haas, described the boys' demeanor and said it was not particularly unusual for that of juveniles facing charges, even those known for toughness or bullying.

Clinton Offers His Prayers

President Bill Clinton said in South Africa on Friday that he had been praying for those shot and wounded in the fatal attack at the school in Arkansas. Reuters reported from Cape Town.

"The thoughts and prayers of people not only in our country but indeed throughout the world are with them," Mr. Clinton said.

"There is nothing more tragic than a child robbed of the opportunity to grow up," he said at a news conference with President Nelson Mandela. Mr. Clinton said he had called the governor of Arkansas, the mayor of Jonesboro and the school principal to express his condolences.



A commemorative bow near the school where the five killings took place.

Southerners are just naturally more prone to violence, or that a proliferation of guns — deer hunting is a rite of passage here — led to the slaughter at Westside Middle School.

What happened at the school, these people say, was born in the disturbed minds of one of the two boys, perhaps both, and carried out in a freakish moment in time. It had nothing to do with them, people in Jonesboro say of themselves.

They, at least in a symbolic sense, only have to dig the graves, and live with the memory of what happened.

Mr. Deresbach has noticed one change in people.

"People are gentler," he said. They will help each other, feeding the needy with food baskets prepared at churches

and binding up their wounds with thousands of white ribbons, some on mailboxes, others on car antennas, all honoring the dead. Marquee signs that once advertised fried catfish promised prayer for the community.

At Emerson Ambulance, the lobby was crowded with men who had worked to save the students who were shot down. They talked angrily about news accounts blaming breakdowns in society — their society — for what happened. If that were true, these men wondered, why had they not seen this horror before?

Most days at the ambulance service, said Rickley Elder, a 42-year-old paramedic, are "pretty much like recess."

"We sit, we eat, we get fat," said Charlie Ferguson, 32, a paramedic, when asked to describe a usual day. Some days, they may only answer two or three emergency calls. In 1997, there were two killings. In 1996, two again.

"This is a college town," Mr. Ferguson said, "and the wildest things that happen here are the parties. And, it's a dry county," so those parties are not often drunken brawls resulting in trauma.

The 911 call changed all that. They all scrambled to it, men like Mr. Woody, Mr. Ferguson, and Toby Emerson, who is also the corner. Mr. Woody, the first to arrive, described how he knelt over the dead child, at the feet of her frantic father, and could do nothing. He knew she was dead, but could not tell him.

But that was not the worst of it. "The thing I'm gonna walk away with is the memory of looking up and seeing another girl," in the arms of another rescuer, and bow "her head fell back, and the blood coming out."

None of them questioned whether or not, if guns had been absent from the culture, none of that could have happened.

"You lay a gun on a table and a hundred years from now the gun will still be sitting there, unless someone touches it," reasoned Mr. Elder. Like the others, he wore a white ribbon across his badge.

RUSSIA: Kiriyenko Gets Nod From Yeltsin

Continued from Page 1

Kiriyenko helped fuel some politicians' fears that Mr. Yeltsin might really be considering a third run.

"Any other prime minister would have been competition for him," said Grigori Yavlinsky, the liberal economist who leads Yabloko, the largest democratic faction in the Duma.

When listing Mr. Kiriyenko's qualifications as prime minister, Mr. Yeltsin did not allude to the possibility he might one day have to take over as president.

"Some say he is too young and too inexperienced," Mr. Yeltsin said in a radio address to the nation Friday morning. "I categorically disagree. Professionalism and energy are not defined by one's date of birth." He said that Mr. Kiriyenko would have no time to "warm up," and that "social questions which have not been solved must be tackled immediately." He also said Mr. Kiriyenko would need a lot of help. "He can also expect my help, of course."

Friday was a busy day for the 67-year-old Mr. Yeltsin, who has been frequently absent from the Kremlin this spring because of colds and a viral infection. He

signed the long-delayed and bitterly disputed 1998 budget, which had been bogged down in Parliament for months, and announced that he and his new prime minister would halve the number of staffers in the cabinet and Kremlin.

The government bureaucracy in Moscow is so bloated that most Russians would not notice or mourn such cuts. But Mr. Yeltsin was also forced Friday to contradict an assertion made by the acting deputy minister of finance, Aleksei Kudrin, who told the Financial Times that the government plans to fire 200,000 state employees, including teachers and medical workers, as part of a radical austerity program.

Mr. Kiriyenko would bear the brunt of pushing many such unpopular measures — if he is approved by Parliament.

In the Duma on Friday, deputies, especially Communist hard-liners, responded sourly to the appointment. But the Communist speaker of Parliament, Gennadi Selenskyov, suggested that Mr. Kiriyenko could squeak through in the first round of voting. The Communist Party, which dominates the Duma, would probably not fare as well in any elections called as the result of dissolution.

BANKS: Swiss Demand an End to U.S. Threats of Sanctions

Continued from Page 1

expects that the threats will be completely lifted.

Accord on 'Structure'

The agreement was called "a breakthrough" Thursday by Undersecretary of State Stuart Eizenstat when he announced that the banks had "clearly committed to engage in a process with the hope of a settlement." John Goshko of The Washington Post reported from New York.

The New York City comptroller, Alan Hevesi, who organized the campaign to put pressure on the banks by threatening sanctions, said the parties would begin negotiations on April 24. Mr. Hevesi added that the aim would be an agreement on "moral and material compensation" for the help given by Swiss banks to Germany during World War II and their subsequent hindrance of efforts

by Holocaust victims and heirs to recover assets held by the banks.

"The hope is that the result will be agreement on a dollar figure for restitution and a statement of moral responsibility recognizing that terrible things happened," Mr. Hevesi said. He added that the American state and local officials involved in his campaign would monitor the negotiations in hopes that "a rough structure for a settlement" will become evident in 60 to 90 days.

Sources familiar with the maneuvering that led to the announcement stressed that no monetary figure has been agreed on and that considerable bargaining remained. As Mr. Hevesi said, "This is an agreement on the structure of a settlement, not the settlement itself."

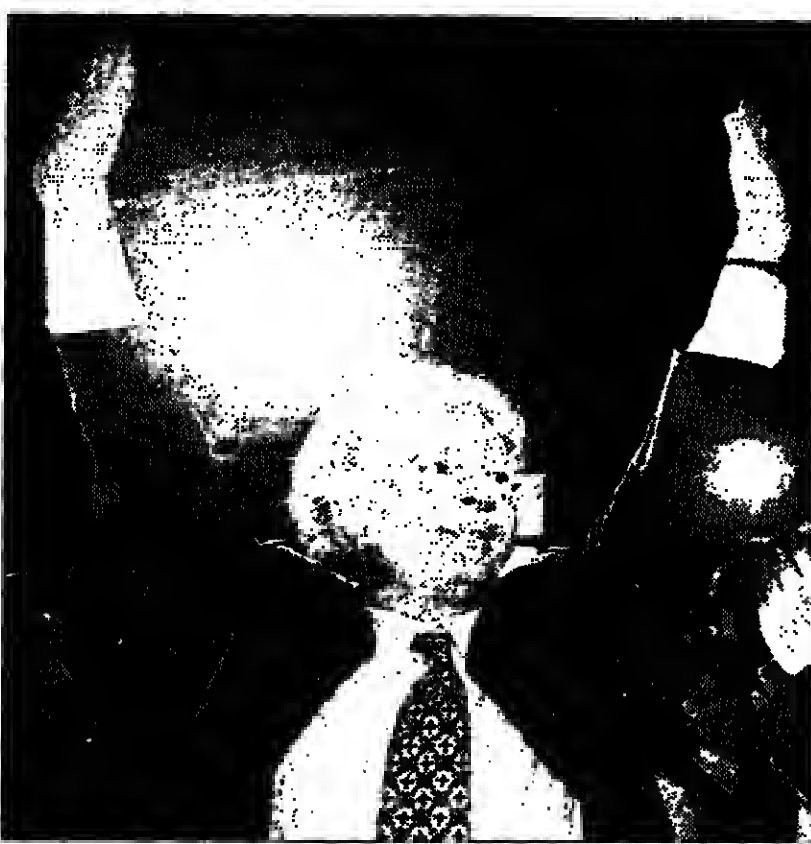
In a letter delivered to the officials just before they began deliberating whether to impose sanctions, the three banks — Credit Suisse, Union Bank of Switzer-

land and Swiss Bank Corp. — confirmed that they would deal directly with the World Jewish Congress, which the Israeli government has designated as its negotiator, and lawyers for some 18,000 plaintiffs in a class-action suit in federal court in Brooklyn that seeks \$20 billion from the banks.

The chief executive officer of Credit Suisse, Lukas Muehleman, who signed the letter for all three banks, said they welcomed the inclusion in negotiations of the World Jewish Congress and lawyers for individuals seeking compensation.

Sources familiar with the situation said that the banks' action was a victory for Mr. Hevesi's advocacy of a tough line.

His drive, which he began organizing last fall, was opposed by Mr. Eizenstat and other Clinton administration officials, who argued that threatening sanctions or boycotts could antagonize the Swiss and make a settlement more difficult.



Jean Charest waving to supporters after he announced his leadership bid.

Quebec Unity Candidate Gets a Mixed Reception

Reuters

QUEBEC CITY — French-speaking Quebec woke up to a changed political landscape Friday after the Conservative leader Jean Charest confirmed he would lead pro-unity forces in the province.

The story was splashed across the front pages of newspapers in the province, with most editorial writers welcoming Mr. Charest's announcement that he would run for the leadership of the Quebec Liberal Party and take on the secessionist premier, Lucien Bouchard in the next election.

"Charest makes the jump," the French-language Montreal daily La Presse declared.

But some say that the message from Mr. Charest, who carries the hopes of those who want to maintain a unified Canada, is muddled.

"For someone who said he has been thinking since March 2, his performance last night was disappointing," the Quebec daily Le Soleil said.

Le Devoir of Montreal said, "Charest is still a hazy picture, as his candidacy speech showed, even if his old and new allies are overwhelmingly confident."

One who stands to lose most with Mr. Charest's entry to Quebec politics is

Mario Dumont, the head of the Action Democratique, a rightist splinter party with a nationalist edge.

On Friday, Mr. Dumont, 27, said he had no intention of returning to a Charest-led, Liberal Party in Quebec.

"There is some kind of hope that Jean Charest will beat the Parti Quebecois and that Quebec will go back into its hole and we won't bear about it anymore," he said in Montreal. "The Quebec problem is much deeper than the simplistic idea of beating Lucien Bouchard."

Outside Quebec, Canadian federalists are hoping that the Liberals under Mr. Charest will defeat Mr. Bouchard, thereby postponing indefinitely a referendum on sovereignty for Quebec.

Mr. Bouchard has vowed to hold one if his party wins the election, which must be called before the fall of 1999. But Mr. Charest asserted Thursday night that Mr. Bouchard was "preparing a new turnaround" and would back away from the pledge.

There is a sharp division in the Parti Quebecois over the wisdom of Mr. Bouchard's pledge. Recent polls have shown most Quebecers do not want another referendum. The separatists narrowly lost the last one, in 1995.

Republicans Delay Finance Bill Vote

WASHINGTON — House Republican leaders have decided to put off a vote on campaign finance legislation after days of behind-the-scenes maneuvering left them short of the support they needed to kill a bipartisan plan to rewrite the nation's election rules.

The Republican disarray signaled that at least for now a majority exists in the House to pass an overhaul bill that would ban political parties from accepting large unregulated donations known as soft money. The legislation is opposed by Republican leaders, whose party generally has a fund-raising advantage.

Last month the Senate also mustered a slim majority for the legislation, but it died when proponents could not gain the 60 votes needed to overcome a filibuster. (NYT)

Conservatives Attack Labor's War Chest

LOS ANGELES — Upset by organized labor's growing political clout, conservatives in California and 20 other states are pushing ballot initiatives or state legislation that could greatly reduce labor's political war chest.

In California, conservatives are campaigning for a measure on the June 2 ballot that could, by supporters' estimates, cut labor's campaign spending by 80 percent in that state. It would require unions to obtain a member's approval each year before spending that member's dues on political activities.

Labor leaders call the referendum a crude weapon designed to cripple labor politically and to punish unions for campaigning so hard against Republicans in the 1996 congressional elections. (NYT)

Quote/Unquote

Representative Christopher Shays, Republican of Connecticut, a member of the House Budget Committee, on the \$217 billion highway and mass transit bill, which includes nearly \$30 billion of new spending beyond what is permitted under the balanced-budget deal of last summer: "This is the best indication that the Republican revolution is over. It's really obscene that we would get so close to putting our country's finances in order and then blow it with a \$30 billion outrage. This is politics at its worst." (WP)

Away From Politics

• Yucca Mountain, the Nevada site slated to become a U.S. nuclear waste dump, may be much less geologically stable than believed, researchers reported in the journal Science. They said this might raise the probability of earthquakes or volcanic activity during the 10,000-plus years in which radioactive waste must be held. (WP)

• The first pill to treat impotence, Pfizer Inc.'s Viagra, has been approved by the government, becoming the first nonsurgical impotence treatment that does not have to be injected or inserted directly into the penis. (AP)

• A seven-month inquiry by the Memphis district attorney has found no evidence that anyone other than James Earl Ray killed Martin Luther King Jr. (AP)

DEATH NOTICE

Madame Duncan MacElhonn, 500 Franz-Arthur MacElhonn and the staff of Harry's New York Bar sadly announce the passing of Mr. Duncan MacElhonn last Wednesday, March 25, 1998 at age 43 in Paris of complications after surgery.

Beloved husband, father and treasured friend, Mr. MacElhonn graduated from Moseley College and Georgetown University and began a career in international banking before becoming the third-generation family member to operate Harry's Bar in 1984. Mr. MacElhonn dedicated his energies on expanding the reputation of Paris's oldest cocktail bar and extending Harry's international operations. He was chiefly responsible for branch openings in Montreux, Berlin and Hanover as well as organizing the firm's license operations. Chairman of the International Bar Flics, he was also member of the American Club of Paris.

Services will be held Tuesday, March 31, 1998 at the American Cathedral, 23, av. George-V, 75008 Paris at 9 a.m.



Who settles trade disputes in the area of telecommunications?
Don't miss the International Herald Tribune Sponsored Section on.

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On May 4, 1998



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Proud Cape Town Bridles at the Hoopla of a U.S. Invasion

By Lynne Duke
Washington Post Service

CAPE TOWN — Attitude: This city is full of it. Capetonians talk of "the vibe" of the place, its "flow," its "energy," as if Cape Town were a phenomenon, not just a place.

Maybe it is the winds that whip down off Table Mountain that lend atmosphere to the city's identity, or the Noon Gun that roars out a cannon blast each day over the Signal Hill Malay quarter and Cape Town Harbor beyond.

Whatever its source, Capetonians guard the vibe jealously, with attitude doubled in the face of any intrusion. Thus the crescendo of growling over the inconveniences of President Bill Clinton's visit.

As with previous appearances by Hillary Rodham Clinton and by Vice President Al Gore, newspaper editorials have been written about street closures, traffic

jams, disrupted work schedules. The horror! So Mayor Teresa Solomon spoke for many Capetonians this week when she publicly declared she would not allow the Americans to push her around "like a sack of potatoes." Her wrath extended to any American in a uniform or with a gun, including the "U.S. VIP protection unit, the CIA, FBI, the army, the navy and, in fact, the troops..."

Cape Town is known as the "Mother City," the seat of Parliament and the nation's tourism capital. It is a place of intense national pride; but that pride is fragile and takes a bit of a bruising when the likes of Mr. Clinton and his three-plane-escort entourage comes to town.

Leon van der Merwe, owner of a popular political haunt, the Moroka Café Africana, said the visit is "a big first for South Africa."

But his patrons have been complaining about "all this security, all this welding of manholes." One said: "It's not necessary. We're not going to do anything to him."

Evidence of this defensive attitude came in the response to Ms. Solomon's

If some are grumpy about the visit, it is because they are generally grumpy in the face of new freedoms and new stresses

reported remarks: The Cape Times fielded a barrage of phone calls in support of her tough line. The Foreign Affairs Department reportedly assured Ms. Solomon that, for Mr. Clinton's visit, she would have her own security that would, as she put it, "show back."

If some South Africans are grumpy about Mr. Clinton's visit, said Nazem, a

businessman, it is because they are generally grumpy in the face of new freedoms and new stresses, when post-apartheid political infighting prevails and when crime, unemployment and gang warfare are flaring.

When he leaves, Cape Town and South Africa, we're still going to have crime as our biggest problem, unemployment as our biggest problem, and this insecurity," Nazem said. "We are an insecure nation."

Much of it stems from the melting pot here that seems ever on the verge of boiling over. The plethora of ethnic groups in Cape Town does not live in harmony. There are mixed-race (known as coloreds), Africans and other whites, black Africans of many kinds, Indians and Malays. Among them are ancestor-worshippers and Anglicans, Dutch Reformers and Muslims. While they may be divided in their

politics, ethnicity and acceptance of American visitors, one thing they have in common, ironically, is an embrace of American culture.

American music pulses across the airwaves. American television shows fill the picture tube. ("Wrestlemania" is all the rage.)

But loving American culture is one thing. Loving American people is quite another. They are often seen as know-it-alls, as folks who don't really grasp the nuances and complexities of South African life but are flocking in to take advantage of the country's bounty. The American style of take-charge can-doism is seen as problematic.

People feel that "Americans have almost taken over, not given us time to breathe after democracy," said Shado Twala, music manager of P4 Cape Town Radio. "You guys have come in to be like Big Brother, in a very aggressive way, as well as condescending."

CHINA: Thai Firm Cuts Back

Continued from Page 1

feed-grain plants in almost every Chinese province. But the crisis in Asia has done what most analysts would have dismissed as highly improbable only months ago: it has forced an overseas Chinese business empire to sell key China assets to support troubled operations at home.

There are indications that Charoen Pokphand's problems reflect a broader reassessment of China among Asian conglomerates. The flood of investment capital has slowed; China's central bank predicts that foreign investment will fall for the first time in almost a decade this year, to as low as \$30 billion from \$45 billion in 1997.

"No one really has the loyalty to China that they talked about a year or two ago," said Joe Zhang, a China specialist at Credit Lyonnais. "China is nothing special. If you don't make money, you get out."

It was not an easy decision for Charoen Pokphand, Thailand's largest company, with \$8 billion in annual sales.

Satrasin Viraphol, executive vice president, said the financial crisis had dried up its credit lines and forced it to limit its diversified holdings to a few missions.

In China, it is searching for buyers of its stakes in noncore factories, including those making drugs, beer, petrochemicals and motorcycles, he said.

"Some of our investments have not been as successful as we hoped," Mr. Sarasin said, "and we are thinking of ways to dispose of them. If companies there are a burden to us, it is not logical or rational to hang on."

Proceeds from the sales will be used to reduce Charoen Pokphand's debt in Thailand-based telecommunications and information-technology projects, Mr. Sarasin said. The money will also support agro-industry investments — the company is known as Asia's chicken king in Thailand, China and Indonesia.

"Our China projects, for the most part, are valued in U.S. dollars," he said. "We need those dollars elsewhere."

The frank disclosure is a major change for Charoen Pokphand. Since the late 1970s, when China cracked open its door to foreign businesses, Charoen Pokphand began borrowing at home to build a China network. For it and many other Asian conglomerates run by overseas Chinese, mainland China was the Holy Grail.

Such thinking has helped ignite China's economy. Overseas Chinese, led by those in Hong Kong and Taiwan, account for about two-thirds of all foreign investment. They laid the foundations for vibrant export industries and channeled tens of billions of dollars into urban real estate projects.

For years, Charoen Pokphand took a patient attitude toward China.

Mr. Dhanin, 59, patriarch of the family-held company, is Thai-born but China-educated, and he cultivated political connections that other investors envied. Mr. Dhanin regularly visited Deng Xiaoping, the late leader of China, and has relations with President Jiang Zemin and with the new prime minister, Zhu Rongji.

The company used those ties to establish itself as a kind of middle man between China and the West, matching technology and capital with the Chinese market. When China wanted a modern motorcycle plant, Charoen Pokphand established one with help from Honda Motor Co. It joined Continental Grain Co. of the United States in building modern feed-grain mills. Other partners included Ford Motor Co., Wal-Mart Stores Inc. and Heineken NV.

By the mid-1990s, Charoen Pokphand controlled about a fifth of China's chicken market and a tenth of its huge feed-grain business.

Almost one in 10 Chinese motorcycles carried the Thai company's Xingfu brand name. It remade itself as a Chinese company. The mainland accounted for more than half of its worldwide revenue, compared with one-fourth from Thailand.

But competition, from both locals and multinationals, grew intense. The motorcycle market is now glutted, with most producers, including the New York-listed Ek Chor Motorcycle Co., facing stagnant or declining sales. Charoen Pokphand poured \$300 million into the Shanghai real estate market just before prices fell, company executives said.

Charoen Pokphand's middle-man strategy has grown outdated as China matures and Western multinationals surge in on their own terms. Wal-Mart and Charoen Pokphand went separate ways in 1995. The Thai company expected to play a prominent role in China's first semiconductor wafer plant, the \$1.2 billion Shanghai-based Hualong Microelectronics Co. But Beijing eventually selected a Japanese partner, NEC Corp.

Despite those setbacks, Charoen Pokphand might well have ridden out the storm and continued its China expansion — it has pledged about \$1 billion for projects yet completed. But the Asian financial crisis forced reassessment.

The company began scaling back late last year. To date, it has laid off about 1,500 workers at Ek Chor Motorcycle alone.

A President's Troupers

Motley Crew Accompanies Clinton to Africa

By R.W. Apple Jr.
New York Times Service

CAPE TOWN — President Bill Clinton is the undisputed star of the U.S. troupe touring Africa, but there are supporting acts, too.

In the company of 800 people, who fill two planes that follow Air Force One, are the usual gaggle of advance people, security specialists, stenographers, telephone operators, pilots, diplomats, coordinators, facilitators, assistants to the president, deputy assistants to the president, special assistants to the president, reporters and technicians (58 from the fledgling Fox news operation alone), spin doctors (10, if you count the assistants and their assistants), members of Congress (16: 14 Democrats and 2 Republicans), cabinet members (3), business executives, labor leaders, mayors, church leaders, Clinton pals and the Reverend Jesse Jackson, who is working very hard to learn how to play second banana.

A lot of them — two of the three cabinet members and 12 of the 16 members of Congress, for example — are black, and Mr. Clinton has emphasized that without embarrassment. He made

apologetic remarks about slavery in Uganda on Tuesday, but in the next breath he remarked upon how much the descendants of slaves had contributed to the United States and noted the many black faces in his entourage.

The president thus plays simultaneously to two constituencies, the mostly Democratic black voters at home and the black leaders with whom he is conferring. It is a new twist on an old political technique, practiced in the past by U.S. presidents barnstorming in Poland, Italy or Ireland.

The Americans whose attention the president most wants to grab are business executives, in the hope they will invest in the new Africa.

"We have the leader of the free world here for 12 days," said Representative Charles Rangel, a New York Democrat who has attended many of the president's meetings. "That has to say to people back home, 'Africa ain't what you think it is.' It has gone beyond Sally Struthers on television, saying, 'Send money to this little baby.' It's time for business to take a second look."

Commerce Secretary William Daley, who is traveling with the president, is seeking to clinch deals with individual business leaders. Some of his targets are among his fellow voyagers, like Melvin Clark Jr., chief executive of Metrex Corp., a Washington construction company; Carl Ware, who heads the Africa group at Coca-Cola Co.; Paul Allaire, chairman of Xerox Corp., which returned to South Africa in 1997 after a 10-year absence, and Kase Lawal, the Nigerian-born owner of a big Houston energy and real estate firm called Camac Holdings.

Others are Alma Brown, a senior vice president of the Chevy Chase Bank in the Washington suburbs and the widow of Ron Brown, the late commerce secretary; Kweisi Mfume, a former congressman who now heads the NAACP; Iyassat Shabazz, an aide to Mayor Ernest Davis of Mount Vernon, New York, and a child of Malcolm X; and Robert Johnson, head of the Black Entertainment Television network.

Also here is the Los Angeles supermarket executive Ron Burkle, who contributed \$125,000 and lent his Beverly Hills mansion to President Clinton for fund-raisers.

Senator Seeks U.S. Veto Over Genocide Court

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — A day after President Bill Clinton, moved by his meeting with survivors of the genocide in Rwanda, endorsed a permanent international criminal court to deal with such crimes, Senator Jesse Helms vowed that the tribunal would be "dead on arrival" in the Senate unless Washington withdrew veto power over it.

In a letter to Secretary of State Madeleine Albright, Mr. Helms, Republican of North Carolina and chairman of the Senate Foreign Relations Committee, said that he was "unalterably opposed to the creation of a permanent UN criminal court" and other developments that would give the United Nations "a trapping of sovereignty."

"The UN is not now — nor will it ever be so long as I have breath in me — a sovereign entity," he wrote. He was reacting to news reports a week ago that the administration was showing flexibility in negotiations over the court.

The senator's threats come as a team of American legal experts, led by David Scheffer, the State Department's representative for war crimes issues, is in critical talks at the United Nations with more than 100 other nations over how the court will operate.

The court could be formally established by international treaty as early as July. U.S. membership would have to be approved by the Senate.

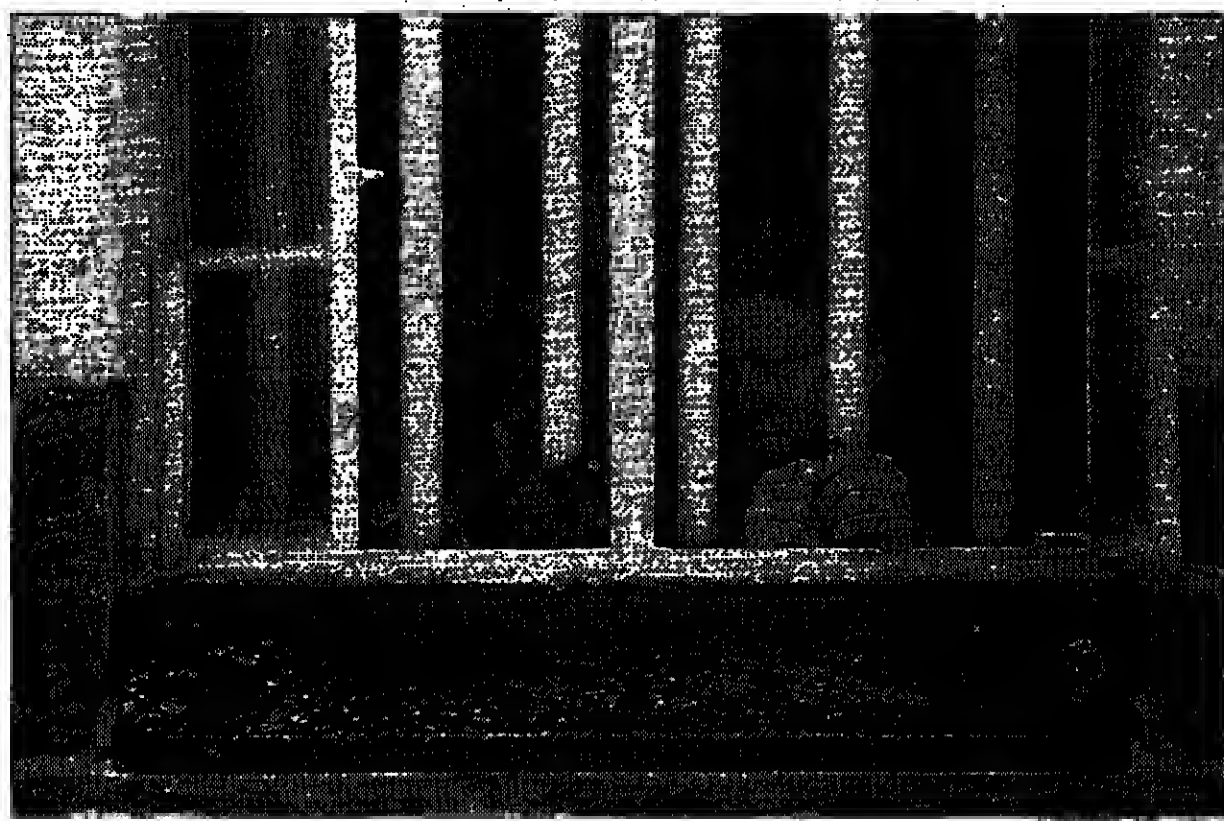
Before Mr. Helms's letter, the idea of compromise had already been dispelled by an American proposal that would double the opportunities governments would have to block court action by challenging an international prosecutor's right to pursue a case that could be handled nationally.

The court would tackle genocide, crimes against humanity and war crimes, which are now covered only by such ad hoc tribunals as those set up for the Balkans and Rwanda.

Mr. Helms also delivered a blow Thursday to the administration's efforts to repair relations between the United Nations and Congress, so that \$1.3 billion in outstanding American dues can be paid. He was successful in attaching an amendment making a new set of demands on the United Nations to an emergency spending bill for the International Monetary Fund.

The "sense of the Senate" amendment asks that the United Nations thank the United States for its contributions, lower the percentage of contributions to the organization's peacekeeping budget to 25 percent from 31 percent — as Congress has already legislated — and publicly report to all member nations how much the United States has spent supporting Security Council resolutions since Jan. 1, 1990. The amendment passed, 90 to 10.

"While UN crybabies whine about not receiving enough of the American taxpayers' money, the real truth is that the United States volunteered more than three times what we were asked to pay," Mr. Helms said in introducing his amendment on Wednesday. He was apparently referring to costs incurred by the Pentagon in international missions that it chose to support.



Bill Clinton and Nelson Mandela peering through the bars of the South African president's former jail cell on Robben Island off Cape Town on Friday. Mr. Mandela spent 18 years there as a political prisoner.

CLINTON: Mandela Stoutly Defends Ties With Cuba and Libya

Continued from Page 1

completely free access to American markets for their exports.

"This is a matter over which we have serious reservations, this legislation," Mr. Mandela said. "To us, it is not acceptable. But nevertheless we accept each other's integrity, and we are discussing the matter in that spirit."

A senior American official, speaking on condition that he not be identified, said later that most of the African leaders had welcomed the bill, which Mr. Clinton supports. He conceded that the South Africans were highly dubious, but suggested that "when the intention of the act is better understood, that will erase some concerns here."

The bill's prospects in the Senate remain highly uncertain, and the continued opposition of South Africa, the continent's major economic power, would do little to improve them.

Noting that many foreign leaders had

visited South Africa in recent months, Mr. Mandela noted that he had invited Fidel Castro of Cuba and Moammar Gadhafi of Libya and had received former President Hashemi Rafsanjani of Iran. The United States has no diplomatic relations with any of those countries, and has accused all of them of violating human rights or harboring terrorists.

During the question period, Mr. Clinton appeared to signal a change in United States policy toward Nigeria, Africa's largest country in terms of population. Although Nigeria supplies, along with its neighbors Equatorial Guinea and Gabon, almost a quarter of United States petroleum imports, the president avoided visiting it on this trip as a sign of continuing disapproval of the regime there.

Senior American officials have said that the United States would find it acceptable if General Sani Abacha took off his uniform and ran as a "civilian" candidate in elections that are scheduled for

next August. But officials traveling with Mr. Clinton said that if General Abacha released political prisoners, showed respect for human rights and supported a genuine transition to civil government, then the United States would not object to the general's candidacy.

Panel to Probe Report of Plot

Mr. Mandela appointed a three-member judicial panel Friday to investigate a military report of a possible coup plot. The Associated Press reported.

A source in Mr. Mandela's office said the commission would investigate why the military report spoke of a plot that never existed. "There was no plot, none at all," the source said. "There was no credence in the report."

In the announcement, Mr. Mandela's office said he appointed the commission to investigate "a report which he received from the South African National Defense Force on organized activities with the aim to overthrow the government."

ISRAEL: Netanyahu Finds His Way Along the Tight Middle Road

Continued from Page 1

of his allies. "I think he has really played it rather brilliantly," said Rabbi David Clayman, head of the American Jewish Congress in Jerusalem. "He has angered everyone, but he has kept all the players at the table: the president, the Palestinian Authority, the right wing, and the American Jewish community. Nobody has walked away."

Mr. Netanyahu campaigned on a platform of relentless criticism of the U.S.-sponsored Middle East peace process, but since he took office in June 1996, he has turned over 80 percent of Hebron to the Palestinians. He has agreed to carry out further withdrawals mentioned in previous peace accords, although he now is talking over the size of the second of those scheduled withdrawals. The first was rejected as too small by the Palestinians.

If he carries out the withdrawal now at the heart of the dispute with the Americans, he will have returned to Palestinian control the last of nearly 40 percent of the West Bank, this in a government that considers the Biblical Judea and Samaria of the West Bank to be God-given Jewish land.

But he also has expanded Jewish settlements in the West Bank, and slowed

the peace process enough to give his supporters a feeling of success.

"Netanyahu has started to move from the right to the center, and on the way he has lost a few friends," said Dan Tichon, a member of the prime minister's Likud bloc. "But his government won't fall. He will compromise on something that no one will have to sacrifice himself over."

Privately, Mr. Netanyahu's lieutenants have suggested he would be willing to go up to an 11 percent withdrawal to avoid a showdown with Washington. This would be "enough to say he fought the good fight," one observer said.

That seems to be what Israelis want. A public opinion survey released Friday showed a plurality of 43 percent of Israeli adults supported "a compromise somewhere in the middle" of the positions of the U.S. and Israeli governments. An overwhelming 75 percent said they wanted the peace process continued on the basis of the 1993 Oslo accord, the master plan for the current withdrawal schedule. It is that support that has tested Mr. Netanyahu's political pragmatism.

Although his government was formed around the banner of opposition to the Oslo accords, he has been forced by American pressure and the threat of conflict among the Palestinians to take steps

to meet the terms of the agreement.

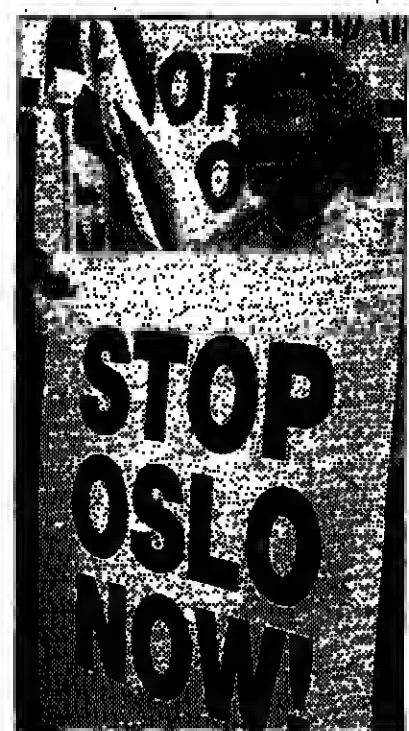
"This is the tactic of Netanyahu," said Ron Pundak, who helped bring about the Oslo accord through secret meetings with the Palestinians. "He will say yes at the end of the day. But then he will find an excuse to slow everything down."

Mr. Pundak said that the opposition Labor Party was "frozen whenever Netanyahu plays the patriot and says it's for security," that the United States "doesn't want everything to collapse," that Israel's extreme right has no good alternative partners and that "the Palestinians have no other choice but to accept."

Indeed, the Palestinians have demanded that Israel withdraw from territory equal or larger than the present 27 percent that they hold, but have been unwilling to relieve the pressure on Mr. Netanyahu by rejecting the American proposal for 13.1 percent.

"I'm not asking for the moon," Mr. Arafat complained Friday, while avoiding an open embrace of any plan.

"You can see a certain degree of success in Netanyahu's government," said Michael Oren, an Israeli businessman long involved in Israeli-American issues. "He has changed a good deal of the terms of reference. He's made his position the position of discussion."



A protester demonstrating Friday in Jerusalem as Mr. Netanyahu met the U.S. envoy, Dennis Ross.

PATAGONIA: Vast and Empty Bottom of the World Is Discovered by Ted and Jane and Henry and Tom and...

Continued from Page 1

movie stars from Sylvester Stallone to Antonio Banderas are searching for their own Patagonian ranches, or *estancias*.

"We took one look at Patagonia and knew we'd found paradise," said Bo Turner, who runs her father's ranches worldwide. "And the best part is that there's enough room for everyone."

But not everyone agrees. Indeed, the foreign invasion has caused an outcry here — mostly from Patagonian politicians and nationalists who say that too much Argentine territory is being put into foreign hands, especially since much of the property is on the frontier with Chile, with which rivalries have always been high.

Opponents also say the spoiling of one of the globe's most stunningly beautiful regions is now under way. Perhaps Carlos Maestro, governor of Chubut, one of the four Argentine states that make up Patagonia, issued the most dire prediction when he said: "If we don't stop this tendency, very dark days are ahead."

There is real talk of building subdivisions and

golf courses in the land where authors and poets once wrote about the brooding gauchos, South American cowboys who wrangled cattle and corralled sheep in Patagonia's valleys. As a result, there is an effort by local legislators to stiffen laws regulating foreign purchase of land here.

The new owners, however, dismiss the controversies. "Come on, 80 percent of Manhattan is owned by the Japanese," Bo Turner said. "We might not like it, but it's life, you know. You just accept it. Patagonia is a natural paradise. The real surprise is that it took so long to be discovered."

Patagonia, which Charles Darwin once described as a land of "stillness and desolation," remains one of the most sparsely populated regions on Earth; about 1.8 million people are spread across 260,000 square miles, (673,400 square kilometers) a density of seven to the square mile. It has experienced fits and starts of development — with the busts usually being attributed to Argentina's numerous dictatorships.

The railroads built by the British in the 19th century opened up transportation through Patagonia's rugged terrain. Wealthy Europeans, including

royalty, soon poured in, buying up huge tracts of land and importing quail, deer and wild boar for hunting and trout for fly fishing. Rich Argentines also moved in, raising cattle and sheep.

Today, as Argentina settles into a newfound democracy and a relatively stable economy, the area again is witnessing a real estate boom. But this time, almost half of the buyers are from the United States, as new roads and phone systems in Patagonia have made it more practical for celebrities and corporate titans to buy here.

"I bought 12,500 acres with one of the best fishing rivers in the world — I just caught a 30-pound fish here — for \$1.5 million," Jeff Wells, president of a customer service company based in Golden, Colorado, said while riding on horseback with his family. "The same thing would have cost me \$30 million in Colorado, if you could even find it."

But the bargains are fading fast. The tide of dollars has driven up prices where land once could be bought for \$20 an acre. "Now, some people are asking \$3 million for property that was on the market at \$1 million two years ago," said Mr. Van Dittmar, the Patagonian real estate czar.

Regardless of what one thinks of the new residents, they have altered life in a place where the local gossip used to consist of nothing more thrilling than swapping sheep-shearing stories.

Excited locals now exchange notes on Fonda sightings — once she was spotted in full hiking gear, climbing her mountain with packs of guides. And last month, Mr. Kissinger stayed at Arroyo Verde, the Larivière place next to Ted and Jane's, sparking media speculation he was out to bury the ranch.

That rumor, however, is untrue. "You know, he likes Ted a lot, but he doesn't really care for Jane, you know," conspiratorially whispered Maurice Larivière, 73, Meñe's husband and one of the old wealthy landowners here. "It was all that Hanoi business in Vietnam. She was too radical for his liking."

The Clintons made a media splash here during their state visit in October, when they went on a private yacht ride to Arroyos, a petrified forest near the upscale ski resort of Bariloche. The forest is widely believed to have been Walt Disney's inspiration for the backdrop of the movie "Bambi."

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Guilt Trip to Africa

Bill Clinton, by his excursions into national contrition on his current swing through Africa, raised eyebrows on two continents. He expressed regrets for slavery, for the Cold War coddling of some African dictators and for what he calls America's slowness to respond to genocide in Rwanda. These subjects lie outside traditional diplomacy. His words expose him to the charge that for personal and political reasons he is advertising a lopsided and gratuitous vision of the country he represents.

Still, he is addressing themes deeply relevant to the United States and Africa. Formative developments such as slavery and the Cold War, the continuing African mass upheavals — these are on American minds and on African minds as well.

Most Washington talk of foreign affairs goes to matters of policy. The current, quiet policy argument centers on whether the administration has tilted too much toward development and stability as against democracy and human rights. It is necessary to remember, after all, that much African misery is the handwork of tyrannical postcolonial African governments that were

brutal to their own people and ransacked their own treasuries. To pretend otherwise or to maintain that all this was strictly a consequence of American support for a few truly crummy African leaders is condescending.

Rwanda's bloody warfare was only one example of a persisting chaos. The quest for an understanding of these things should not slacken.

Mr. Clinton identified neglect as "the biggest mistake America ever made with Africa over the long run." His trip was designed to counter that neglect. An admission of neglect carries an implicit promise to pay closer attention. The president, who early in his trip hailed a prospective African "renaissance," has not offered new ideas to match. But some old ideas — not just aid but trade and investment — are still good. Support for Africa's institutional and physical infrastructures should proceed as fast as Africa's own participation permits. The Clinton concern for genocide should translate swiftly into international programs to spare new victims and rescue Africa's millions of refugees.

—THE WASHINGTON POST.

Guns and Children

The schoolyard massacre in Jonesboro, Arkansas, on Tuesday has prompted talk about the Southern gun culture and how it may have contributed to the tragedy. Yet the societal sickness the shootings exemplify — children with easy access to guns and ammunition — is not confined to any one region of the country.

Guns are showing up in schools across the nation with alarming frequency. Students in at least five other states have fired on classmates or teachers in the past two and a half years. The day after the Arkansas shootings, a 4-year-old boy in Cleveland, Ohio, was sent home from his day-care center after a teacher found a loaded gun hidden in his clothing, and a 13-year-old in Daly City, California, was arrested for attempting to murder his principal with a semiautomatic pistol.

In a 1993 national survey of 6th- to 12th-graders, 15 percent said they had carried a gun in the last month, and 4 percent said they had taken a gun to school in the previous year. Most of these guns are not bought from

strangers on the street. They are brought in from the child's own home.

Thus it is not surprising that at least some of the high-powered murder weapons used by the two boys in Arkansas were taken from the house of the grandfather of the 11-year-old suspect. The two boys reportedly went there looking for guns after they were unable to break into the locked gun storage vault kept by the 11-year-old's father.

Fifteen states have passed laws in recent years requiring adults either to store loaded guns in a place that is reasonably inaccessible to children, or to use a gun lock that makes the gun inoperable. If a child obtains an improperly stored gun in those states, the adult owner is criminally liable.

This week's gunfire in Jonesboro should galvanize lawmakers in Arkansas and other lagged states — including New York — to take this concrete step to keep guns out of the hands of kids. With gun ownership comes a heavy responsibility to ensure the public's safety.

—THE NEW YORK TIMES.

Reporters at Risk

Reporters in Latin America are still dodging bullets. Of 26 journalists killed worldwide in 1997, 10 were in Latin America, according to the Committee to Protect Journalists. But an arrest warrant is a more common danger. Government officials are bringing criminal charges against journalists who report on official crime and corruption, giving intimidation a legal veneer.

In Peru, one current target is an investigative reporter, José Arrieta. While at *Si* magazine, Mr. Arrieta reported that a death squad run by the government's intelligence services committed a notorious massacre in 1992. One of his sources even led him to the bodies. Mr. Arrieta moved to a television station, Channel 2, where he broke more stories about murder, torture and illegal wiretapping by the intelligence services.

Last year the government of Alberto Fujimori revoked the Peruvian citizenship of Channel 2's owner, Israel-born Baruch Ivcher, and put the station in the hands of its supporters. An arrest warrant was issued accusing Mr. Arrieta of falsifying his stories. A courageous judge knocked it down. But Mr. Arrieta, certain that the government will try again, is in Miami applying for political asylum.

The most widespread form of intimidation is to charge reporters with defamation, a criminal offense in most of Latin America. Last year two New York Times reporters were charged by the Mexican government, which frequently uses this law against reporters, but the charges were dropped. Panama has turned the law against Gustavo Gorriti, an editor at the newspaper *La Prensa*. Irritated by his reporting on drug corruption, the government tried to deport Mr. Gorriti, who had moved to Panama after being kidnapped by the security services in his native Peru. When that failed, Panama revived what appears to be a spurious case against him for defaming a government of-

Other Comment

The responsibility which the European Union must bear in Kosovo is Europe's responsibility for itself. Yet it seems that for the indefinite future Europe will still not be able to enforce respect for human rights and peace without NATO, and hence without American leadership.

A "trip wire" contingent of NATO troops, as already stationed in Macedonia, might well be able to prevent the outbreak of major hostilities in Kosovo. But even the initiative to prevent the spread of the Bosnian war and contain any potential conflict in Macedonia was American. That contingent presently operates under a UN mandate, but experience has shown that neither the EU nor the UN alone can enforce peace in the Balkans.

—Neue Zürcher Zeitung (Zurich).

Here Comes an Unemployment Crisis for China

By Edward Steinfield

CAMBRIDGE, Massachusetts — The irony of the Asian financial crisis is that China, seemingly least involved, is about to suffer the most monumental consequences.

Events in East Asia have suddenly driven home to Beijing the costs of inappropriate bank lending and capital misallocation. Reforms put off for years, even decades, are now being carried out in rapid-fire succession.

Within the past month Beijing has embarked on a wholesale restructuring of the financial system. Whether successful or not, these measures will shake the foundations of China's economic, social and political order.

As recently as last November, policy elites in Beijing were still expressing confidence that China could skirt most of the turmoil affecting the rest of Asia.

The triggers of financial upheaval in South Korea and Indonesia — currency speculation, rapid devaluation, sudden withdrawal of foreign loans — seemed irrelevant to the Chinese situation.

China's currency is not convertible on world markets, and domestic firms carry very little foreign-denominated debt.

But deeper lessons regarding the hazards of accumulated bad loans and the potential for financial collapse have begun to register in Beijing.

The source of China's trouble lies in its ailing state enterprises, which employ most of the nation's urban workers. Two decades ago, at the dawn of reform, Chinese leaders committed themselves to keeping state firms afloat

in order to maintain full urban employment. That commitment has necessitated massive infusions of capital.

In the early 1980s, subsidies to state enterprises came as direct allocations from the central budget. This practice proved unsustainable over time as the capital requirements of state firms grew while the fiscal capacity of the state declined.

The country experienced phenomenal economic growth, but primarily in the non-state and non-urban portions of the economy, precisely those sectors that the government could not adequately tax.

Short of fiscal revenue, the government by the mid-1980s had made a fateful decision to shift the burden of funding state industry from the government's budget to the nation's financial system, its state banks.

At the time, few decision-makers were willing to contemplate the other option, simply cutting subsidies to firms and allowing unemployment levels to escalate.

A number of policies were established to ensure that the savings deposits of ordinary households got funneled into failing state companies. Throughout the banking system, lending quotas were established to force funds to flow from high-growth regions dominated by non-state industry to low-growth regions dominated by traditional state industry.

The central government ordered individual banks to extend "policy loans" — noncommercial giveaways — to specific state enterprises. Or local governments pressured state banks to infuse favored firms with "soft" loans.

The upshot over time has been a thorough undermining of the nation's banking system. In essence, national investment resources — household savings — have been systematically directed to nonviable firms.

In 1996, state enterprises produced only 35 percent of China's total industrial output value but held 69 percent of the banking system's outstanding long-term loans, and 55 percent of its short-term loans. Levels of nonperforming debt in the system, estimated conservatively at 25 percent of GDP, are even higher than those of China's troubled East Asian neighbors.

To put it simply, the Chinese banking system is currently insolvent.

The East Asian crisis has spurred Chinese leaders into action. Just in the past month, lending quotas throughout the state banking sector have been summarily abolished. Local bank branches, particularly in the south, have been aggressively recentralized by Beijing, thus depriving local governments of the power to exert pressure for soft loans. Policy lending by the center is being severely restricted.

While these drastic and truly revolutionary measures are obviously needed, they will have a devastating impact on Chinese society. State firms today employ approximately 65 per-

cent of China's urban workers. As credit is summarily cut, unemployment will surge, particularly in the industrial northeast, where entire "company towns" will be put out of business.

The country's fiscal resources are insufficient for setting up any sort of comprehensive social safety net. Workers are being cut loose, and precious little is in place institutionally to catch them when they fall.

Policymakers are caught in a nasty predicament. Doing nothing and allowing a continuation of state-sector bailouts raises the specter of a total banking collapse. Indeed, policymakers already fear that with all the news of East Asian trouble rolling in, Chinese depositors will remove their savings from the banks and thus lay bare the insolvency of the system.

Yet undertaking the measures needed to preserve the financial system almost guarantees massive unemployment and social dislocation in China's cities. From the policymakers' perspective, it is truly a "damned if you do, damned if you don't" situation.

The question is whether measures needed over the long term will create an intolerable situation over the short term. The new Year of the Tiger is certain to be a critical juncture in China's economic coming of age.

The writer, a professor at the Massachusetts Institute of Technology's Sloan School of Management, contributed this to *The Washington Post*.

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Netanyahu Is Harming Israel's Alliance With America

By Henry Siegman

NEW YORK — Unnoticed in the controversy surrounding the American "bridging" proposals intended to get the stalled Middle East peace process moving again is the fact that the American plan for an Israeli withdrawal from a further 13.1 percent of the West Bank is an astounding victory for Prime Minister Benjamin Netanyahu and a major defeat for the Palestinians.

Although the Oslo accords did not specify the exact proportions of the three sequential withdrawals to which Israel committed itself, there was never any question but that the broad intention was to achieve an Israeli redeployment from a decisive majority of the West Bank, apart from Jewish settlements and military sites.

As noted by Chaim Shalev, writing in the Israeli newspaper *Ma'ariv*, "the gap between the administration's plan and the original intentions of the Oslo agreements is enormous."

While only a few percentage points stand between the American plan and what Mr. Netanyahu's government was ready to give in any case, light-years separate the American plan from Palestinian expectations. According to Chaim Shalev, the areas "gained" by Israel under the American proposal represent 30 to 40 percent of the West Bank.

Palestinians have been bludgeoned into going along with a proposal that until recently would have been seen as requiring a total Palestinian surrender to Israel's far right.

It is a prospect that Mr. Netanyahu and his supporters could not have dreamed of two years ago. But instead of embracing the American proposal and claiming victory, he insists on portraying it as an American "imposition" on Israel that compromises its vital security.

Mr. Netanyahu has taken this position at the risk of creating a historic rupture between Israel and the United States and of losing the remarkable gains he has achieved for his policies.

Especially puzzling is the ineptness of the Labor opposition and of its leader Ehud Barak. Instead of endorsing the American plan, recognizing that it demands far less from Israel than what the Labor Party contemplated when it agreed to the three redeployments in the West Bank, Mr. Barak counsels that Israel accept only an 11 percent withdrawal — instead of the 9 percent that Mr. Netanyahu proposed. Meanwhile, he blasts Mr. Netanyahu for putting Israel in a position of having to yield to an American diktat.

This is so convoluted and disingenuous a position as to make Mr. Netanyahu seem a statesman.

Having achieved so many of his objectives, to the point of

nearily destroying the Oslo accords altogether (which in fact may be his main objective), how can Mr. Netanyahu not agree to a compromise with Washington's position?

He is reported to have offered a two-digit redeployment, still less than 13 percent. It is far from clear, however, that this compromise is anything other than the latest twist in his so far successful strategy of delaying endlessly any further Israeli withdrawals from the West Bank.

Mr. Netanyahu still insists on standards for Palestinian "reciprocity" that will give him ample opportunity to blame the Palestinians for his failure to implement the agreement.

Even if he is finally acting in good faith, it is difficult to assess the damage he has done to Israel's relations with the United States.

A strong alliance with the world's only superpower is a deterrent without parallel in the Middle East. A perception by

the countries of the region that this alliance has weakened would seriously damage Israel's strategic security interests.

Mr. Netanyahu has skillfully exploited partisan rivalries between the U.S. Congress and the White House, but at what cost? As Israelis learned in the 1973 war, when push comes to shove it is the president, not Congress, who can take quick and risky actions that have existential consequences for their country.

Mr. Netanyahu's message to Mr. Clinton has been that when it comes to Israel's security, a subject he construes so broadly as to empty it of any real content, the United States should butt out. It is a message that Mr. Clinton may remind him of the next time he asks America to intervene on behalf of Israel.

The writer, a senior fellow at the Council on Foreign Relations, contributed this personal comment to *The International Herald Tribune*.

Biological Weapons: Russia May Be the Biggest Threat

By Ken Alibek

ARLINGTON, Virginia — A You got back from your business trip to Europe a few days ago, and this morning you are not feeling well. You have developed a fever and a severe headache, and aspirin doesn't help. Your doctor diagnoses the flu and sends you home to rest. But your condition worsens.

By evening you have developed a nasty cough and are spitting up some blood. Your doctor changes his diagnosis to pneumonia and prescribes antibiotics, but it's too late.

The cough rapidly worsens, and the next evening you die — not before realizing that your family and the friends who stopped by while you were ill have developed fevers and headaches.

Similar illnesses crop up all over the country. The final diagnosis: plague, released by a terrorist on your 747 as you slumbered peacefully between Brussels and New York.

Are biological weapons really so effective and terrifying? My answer, based on more than 20 years' work in bio-weapons research, development and testing in the former Soviet Union and Russia, is an unqualified "yes."

These weapons are attractive to some nations and terrorist groups because they are relatively easy and inexpensive to produce and can cause widespread illness, death and panic. And the effect of these weapons is not immediately obvious, which allows time for the terrorists to escape.

A treaty banning production of bio-weapons, the 1972 Biological Weapons Convention, is in effect and has more than 140 signatories, but it contains no significant enforcement mechanisms. Many signatory countries, including Russia and Iraq, have flouted its provisions.

The Aum Shūrikyō cult, which killed 12 people in the Tokyo subway in 1995 using nerve gas, had also obtained anthrax bacteria, although it never perfected a way to disperse it.

How can we mitigate the threat of biological terrorism? Far too much hope is being placed in vaccines. Even if vaccines existed for every possible agent, and they do not, it would be impossible to inoculate every person in a country against dozens of diseases.

Instead we should devote resources to preventing disease

from occurring after exposure, and to treating the disease that does occur. Such research would have the added benefit of helping those who contract these diseases under natural conditions.

We must also prepare thorough plans for responding to any act of biological terrorism. That includes deciding who would respond to the emergency and how, as well as details like quarantine procedures and shipment of medications.

While we prepare for terrorist attacks, however, we must not forget state-sponsored bio-weapons programs.

The lure of such weapons is substantial. Biological weapons were so attractive to the Soviet Union that it risked international censure and spent vast resources to produce them. The Soviet program reached its heyday in the 20 years after the Soviets ratified the 1972 treaty.

The Soviet program was easily the most sophisticated in the world. At its height, 32,000 people worked for Biopreparat, the civilian pharmaceutical and vaccine company that served as

a cover for biological weapons work. An additional 10,000 or so worked in Defense Ministry bio-weapons laboratories, and thousands of others were scattered through other agencies.

The Soviets had the capacity to produce huge amounts of many different agents. The hundreds of tons of anthrax and dozens of tons of smallpox and plague agents they stockpiled could be loaded into bombs and missiles for use within days.

After the demise of the Soviet Union, Russia's biological weapons program was shut down by order of President Boris Yeltsin in 1992. Or was it?

As the first deputy director of Biopreparat in the late 1980s and early 1990s, I was fully aware of plans for future research and development in the area of bio-weapons. Today, when I read the recent work of my former colleagues in scientific publications, it is hard for me to imagine that their efforts have no relation to biological weapons.

Russian scientists have created genetically altered antibiotic-resistant strains of plague, anthrax, tularemia and glanders. They are working to create a strain of anthrax that will overcome the immune system. They have been developing methods for genetically altering smallpox virus while preserving its virulence. They have developed techniques for cultivating Marburg and Machupo viruses.

And this is just some of the published work of Biopreparat scientists, who are supposedly no longer involved in the development of weapons.

Most international experts and American officials believe that they are not doing this work, but I fear that their published studies are just the tip of the iceberg. There is almost surely more work that is not being published, and still more that is being done behind the closed doors of Defense Ministry laboratories.

In addition, a great deal of the information that Russia's scientists have published in the last decade — and continue to publish — would be of great use to other countries or terrorist groups interested in bio-weapons.

A number of experts suspect that since Russia scaled back its program in 1992, some Russian

researchers have been marketing their services to other countries.

Clearly, the United States has a strong interest in ensuring that these bio-weapons experts have legitimate research work to do at home, to keep Russian know-how from reaching other countries. Some American scientists believe that the United States should be doing more to promote cooperation by expanding exchange programs and spending more to finance some Russian scientists' research.

Such cooperation could be scientifically productive, since the Russians have tremendous expertise in the area of bio-defense. It could also serve to ease fears that the Russians are still developing bio-weapons, and disabuse the Russians of their mistaken notion that the United States has a similar program.

This might increase opportunities for international monitoring, and decrease the likelihood that Russian technology is being exported for use in weapons.

Unfortunately, until Russia opens its military biological weapons sites (Yekaterinburg, Kirov, Sergiyev Posad and a new facility at Strizhi) to full-scale inspections, as the United States did for American sites many years ago, such cooper-

ation is not only senseless but also dangerous.

If we are to have any hope of eliminating biological weapons from this earth, the 1972 Biological Weapons Convention must be given teeth, primarily in the form of mandatory inspections.

Russia acceded to international pressure in 1991 and consented to inspections by the United States and Britain, but only Russia's civilian sites were opened for inspection. The international community must press Russia to open all of its former biological weapons laboratories, including military ones, to inspection.

Until we can be certain that the most sophisticated bio-weapons program in the world has been eliminated, efforts to prepare for biological attacks and to contain the programs of terrorist groups and nations like Iraq are just so much blowing against the wind.

Mr. Alibek, a program manager at SRS Technologies, was first deputy director of the Soviet Union's main bio-weapons directorate before defecting in 1992. Jennifer L. Guernsey, his research assistant, helped in writing this commentary for *The New York Times*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: 'Brutal Force'

MADRID — The *Epoca* this evening [March 27] says: "The truth is, the attitude of the North American Republic on the Cuban question does not give us any confidence that she will withdraw at the last hour. But will the Great Powers contemplate with indifference the disintegration of the sovereignty of a nation whose peaceful intentions are fully demonstrated? Lamentable would be the spectacle of the sanction and toleration of this exercise of brutal force against all right and reason. In commercial language, the risks and costs of the undertaking are greater than its utility from the standpoint even of the grand human ideals of justice and right."

1923: Brain Operation

NEW YORK — Under the influence of a local anesthetic,

Henry A. Brown talked to the surgeons at Beth Israel Hospital while they performed an unusually delicate operation. He talked to them while they cut through his skull and scraped out a brain tumor four inches long, two inches wide and three-quarters of an inch thick.

1948: End Censorship

GENEVA — The United States asked the nations of the world today [March 27] to eliminate censorship on all news except that "relating to the maintenance of national security." This invitation to end political censorship was contained in a draft convention proposed by the American delegation at the United Nations conference on freedom of information. The draft's preamble seeks "improved understanding between the peoples of the contracting parties through the free flow of information and opinion."

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مكتبة المجلد

Netherlands Rejects Heir's Claim to Art

By Alan Riding
New York Times Staff Writer

PARIS — The government of the Netherlands has rejected a claim by the American heirs of a Jewish art collector to paintings that were acquired by Hermann Goering after the German occupation of the Netherlands in 1940 and that ended up on display in Dutch museums after World War II.

Deputy Culture Minister Aad Nuis said at a news conference in The Hague that the claim had been turned down because the immediate heir of the collector, Jacques Goudstikker, who died in an accident in May 1940, had made a conscious decision not to seek restitution for those artworks recovered from Goering at the end of the war.

That decision was made in 1952 by Goudstikker's widow, Desiree, who died in 1996. But it has now been challenged by the surviving heir, Mrs. Goudstikker's daughter-in-law, Marei von Saher, who has argued that the decision was made under duress and should be reversed. About 160 paintings from the Goudstikker collection are now hanging in 17 museums in the Netherlands.

Reached at her home in Greenwich, Connecticut, after she learned of the Dutch government's decision, von Saher said that she would press ahead with the case in court. "In some ways, I almost think this was a blessing in disguise," she said. "If they had given us a little gift or made a little gesture, that would have been it."

Von Saher's Amsterdam lawyer, Dick Schonis, said that he had reached a provisional settlement in negotiations with Nuis, but that the deal had been rejected by the Dutch cabinet. Under the proposed arrangement, he said, Goudstikker's memory would be honored, his personal belongings would be returned to the family, and a few paintings would be returned.

SCHONIS said he had received a six-page letter from Nuis in which the official noted that, in the case of the Goering transaction, "Mrs. Goudstikker deliberately and consciously refrained from seeking recovery of the art" to avoid returning money that Goering paid for the 779 paintings he selected from among the 1,200 works in the collection.

In the letter, Nuis conceded that the amount paid by Goering might appear to be inadequate by today's standards, but the "deliberate character" of Mrs. Goudstikker's decision after the war "cannot be changed by those circumstances now." In his news conference, Nuis added: "In my judgment, the redress was carefully handled, according to present standards, immediately after the war."

By Souren Melikian
International Herald Tribune

NEW YORK — They will wonder in 20 or 30 years how such a commercial outpouring of super-museum-level art as can be seen at the Asian Art Fair was ever possible.

Walking from one extraordinary object to another in the Seventh Regiment Armory, where the fair is being held until Wednesday, and through some of the selling shows put up in town by individual dealers, one cannot help feeling ambivalent about it all. Should one marvel at the revelations that *add new facets* to the endlessly unfolding wealth of early Chinese art? Or should one mourn the irreparable loss of historical documentation that commercial excavations without a recorded context effectively represent — to say nothing of the damage to the art?

The dilemma is real: There is a lot to be said in favor of private collecting. Free from museum pomp, these works have an immediacy that is overwhelming. A huge gray earthenware bull, 108 centimeters long, displayed on Joel and Edith Frankel's stand, will jolt the most stolid visitors out of their indifference. It was discovered in Sichuan in a context that establishes its Eastern Han period (A.D. 26-220), the dealers say. As sharp as a stone carving, it sheds new light on the level of artistic achievement attained in that province at a time when it was on the edges of the Chinese world. One would dearly love to know the name of the high dignitary in whose funerary chamber the bull stood, probably with several more.

Elsewhere, at 41 East 57th Street in a show billed as the "Arts of the Great Dynasty" (until April 1), J. J. Lally displays a sculpture that bears out the striking opinion of Sichuan. A gray earthenware buffoon, hump-backed and contorted, his face distorted by a scowering snarl, stands tambourine in hand, ready to jump into action. This is an age-old character common to the Far East and the Middle East — the solo entertainer who recites poems, sings and dances to the accompaniment of the tambourine and, in between, delights the audience with jokes and antics. The arched eyebrows, the slender nose, the Sogdian cap with a cusp, establish the East Iranian identity of the character. Priced at a mere \$12,000, it was the first piece to laugh its way out of J. J. Lally & Co.

Explosive energy and joie de vivre seem to have been dominant traits in Sichuan culture. A gray earthenware prancing horse sold by Lally for \$320,000 gets as close to roaring with laughter as a horse ever did, wiggling its thick tail with delight, and the same irrepressible vitality emanates from a set of three



Sichuan gray earthenware prancing horse from the Han Dynasty.

musicians seated cross-legged, with a laugh on their faces. Rarely did figures for the dead convey such mirth.

Humor was more complex in the higher forms of art, and more ambiguous as well. A cast silver warrior serves as a stand to a footed oil lamp, amusingly stuck on his bead and holding his arms extended as if to keep his balance. His expression is inscrutable even though he beams. Only one other Han silver lamp has been recorded. This, too, is a major addition to early Chinese sculpture.

ANOTHER astounding discovery from the Han period proves that at the very moment when China cultivated this serenely figural art, it also entertained a strain of surrealism as bold as anything in this century. The bronze oil lamp probably dating from the second century B.C.

is on view at Eskenazi, 28 East 78th Street, until April 4. It is so close to linear abstraction that one must take time to make out the bird figure. Only the claw is instantly identifiable. A single leg rises from it topped by a gently in-curving rodlike body. The creature has no head. Instead, its body carries a thick ring with vertical spikes. No other object of this type is known. Again, the loss of the context is a disaster, for the object gives a new dimension to the emerging art of the Han round 200 B.C. The \$12,000 bird flew off minutes before the opening.

The importance of discoveries must not be measured by novelty alone. In art, beauty should be the ultimate criterion. The equestrian figure of a horseman in polychrome pottery at Eskenazi rates among the most extraordinary pieces of its kind in the world. The rider of Turkic-Mongolian appearance is dressed up in the East Iranian garb fashionable

at the Tang court. The head, slightly averted as if on the lookout for danger, the narrow slit eyes that give a piercing look, make up an admirable three-dimensional portrait. Whoever got this masterpiece of Tang art for \$165,000 did well.

Yet, even that is outdone by some pieces at the *Asian Fair* by Gisèle Croes of Brussels. While a few bronze trees from the Han period were already known, none of them come anywhere near the Croes piece for size, complexity and dizzying beauty. Perched on a stylized, circular mountain, the trunk stalks straight up, with swirling boughs making up a pyramidal form. *Birds and monkeys* appear here and there. The boughs carry tiny cupulae meant to hold the oil of so many miniature lamps. The unique object, worth about \$2 million, was bought by a New York collector just before the opening. Together with a \$1.5 million food bowl of the ding type inlaid with silver rounds more beautiful than any seen in the West, the New Yorker got, as

It is not just buried art hauled out of its underground caches that reserves surprises. Jules Speelman of London spent several years bringing together three cloisonné enamel vessels of the early 15th century made for ritual use in a Lamaist temple, possibly as part of a single set. The 22-karat gold used for the mounts points to some court atelier in Beijing. They are among the gems of the Asian Fair.

SPEELMAN bettered this masterstroke with another coup — a Song period rock-crystal vessel, or part vessel, carved with dragons in high relief that was made into a ewer in 17th-century Tibet by adding crystal elements and mounting it in gilt-copper. It is a unique Tibetan equivalent of the Renaissance man's *Kunststuck* object d'art. One would marvel unreservedly if this vessel, which must have come straight out of some temple, did not speak of the destruction of plundered objects which Tibet has been subjected to over the last three decades. As a further reminder of this havoc one can admire on the stand of The Chinese Porcelain Company at the Asian Fair some debris of the high-relief gilt-copper sculpture that once adorned the Densatil shrine. The 15th-century monument, blown up by the Red Guards, now survives only in memory through photographs taken decades ago.


To this, one may add the mutilated Khmer sculptures of Cambodia, the remains of destroyed Buddhist stupas and cave shrines in Afghanistan, and a host of other escapees from the wreckage of world art. "Ambivalent" is decidedly the mood in which art lovers take their leave from these witnesses to the recklessness with which our global village treats mankind's most admirable art boards.

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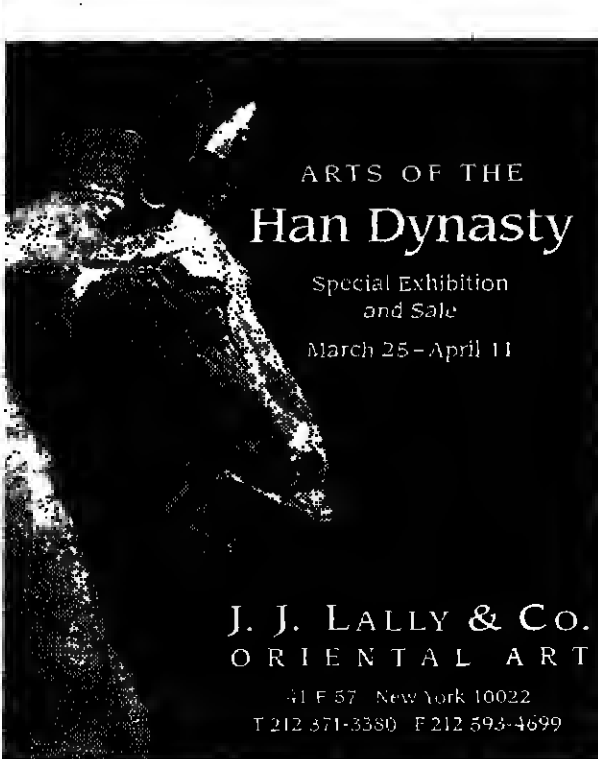
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Moïse Kistling, *Nu Cubisme*, signed and dated 1918, signed and dated Paris, Janvier 1918 on the reverse, oil on canvas, 54.5 x 81.5 cm (21 1/8 x 32 1/8 in.). Estimate: \$ 80,000-120,000

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TEL AVIV

In Europe, Defense Firms Miss Deadline For a Merger

Compiled by Our Staff From Dispatches

PARIS — Europe's three biggest aerospace-defense companies on Friday affirmed their intention to merge into a more formidable competitor to U.S. rivals, but they failed to agree on a timetable or specifics of an eventual deal.

Responding to a virtual order from their governments to agree on a plan by the end of March, British Aerospace PLC, Aerospatiale of France, Daimler-Benz Aerospace AG and Construcciones Aeronauticas SA of Spain said they wanted to merge but had not found a mutually agreeable solution.

For years, the defense and aerospace companies of Europe have talked about merging and streamlining but have never figured out how to do it while accommodating the vein of national interest that runs through most of them.

"The statements available to be publicly digested are about what you'd expect: nothing," said Sandy Morris, an analyst with ABN-AMRO Holding NV. "Everyone is really still working on their own agenda, the one that suits their national interest."

The French, for instance, remain reluctant to give up control of Aerospatiale, which controls 37.9 percent of Airbus Industrie, Boeing Co.'s main rival in the passenger aircraft industry.

Asked what the three top obstacles to the restructuring of the European defense industry were, Mr. Morris said: "The French, the French and the French."

Eventually, he speculated, French refusal to restructure and combine could drive British Aerospace into an alliance with Lockheed Martin Corp., "and that would be it for Europe," he said.

In December, Europe's political leaders became so nervous about the prospect of U.S. defense giants' crushing their European rivals that they virtually ordered the industry to consolidate.

European executives have said much and done little about consolidating their industry, while watching the U.S. aerospace and defense industry get into fighting trim by winnowing itself down through mergers and acquisitions to essentially three major companies: Boeing, Lockheed Martin and Raytheon Corp. (Bloomberg, WP)

Among the Chaebol, a Battle of Titans

Stakes in Kia Fight: Corporate Survival

By Don Kirk
International Herald Tribune

SEOUL — A growing battle between South Korea's two largest business groups for a rival motor vehicle company has set the stage for struggles over the remains of bankrupt enterprises caught in the country's economic crunch.

For many of the country's huge but financially frail conglomerates, or chaebol, this mating dance to capture weaker partners in coming months will become, simply, a matter of life and death.

The Hyundai and Samsung groups, ranked first and second in South Korea, are fighting to gain control of Kia Motor Co., flagship of a second-tier group that faces the immediate need to renegotiate \$10 billion in debts under court order.

For Samsung, the costest may decide whether Samsung Motor Co., Korea's latest entry in the industry, can make it in an overcrowded field.

For Hyundai, victory would mean that Hyundai Motor Co. can not only recover the losses incurred in the current economic crisis but also fulfill its dream of emerging as one of the world's top 10 motor vehicle makers.

"Without taking over Kia Motors, Samsung Motors will not survive," said Lim Dong Su, an analyst with Jardine Fleming. "That's why they are so desperate to take it over."

This desperation captures the mood of all of Korea's chaebol as they try to shed money-losing entities, negotiate for mergers and pursue such foreign investors as Ford Motor Co.

Negotiations this past week between Ford and both Samsung and Kia may portend a merger of Samsung and Kia, with investment from Ford. That would pose a serious threat to Hyundai as well as Daewoo Motor Co., Korea's second-largest vehicle maker.

As for Daewoo, it was maneuvering to attract a major investment from GM, saying it could accept the world's largest motor vehicle company taking a stake as high as 50 percent.

On a larger scale, moreover, analysts believe that such talks portend the entry of scores of other foreign



Hundreds of South Korean union members demonstrating Friday in Seoul to protest the increasing number of layoffs in the country.

investors with key roles to play in slimming down bloated industrial fields, bringing in foreign expertise as well as capital and, in the long run, reviving and restructuring the entire economy.

That process is likely to go on for four or five years, said Robert Felton, manager of the Seoul office of McKinsey & Co., a consulting firm that advises many of Korea's chaebol.

Mr. Felton predicts "basic restructuring, numerous mergers and acquisitions, foreign investment and a lot of layoffs." But he sees Korea "reestablishing its economy and returning to more attractive growth."

At that point, he believes, that "we'll see an increasingly world-class manufacturing sector, an expanding service sector and a lot of employment."

The question, however, is whether the scrap over Kia, whose executives say publicly that they are determined to save it at all attempts at a takeover, may indicate quite a different scenario — one in which the chaebol spend so much time, energy and badly needed resources in fighting each other that they lose sight of the basic revisions needed for economic recovery.

McKinsey released a report Friday that attacked the Korean performance in a wide range of industrial sectors, including motor vehicles. Fat bureaucracies, closed markets and poor quality were cited as some of the major cases for economic crisis that finally forced the government last November to go to the International Monetary

Bundesbank Approves Euro as 'Justifiable'

By John Schmid
International Herald Tribune

FRANKFURT — After years of voicing doubts about Europe's planned single currency, the Bundesbank said Friday that the project should be allowed to proceed.

The green light from the central bank allowed Germany's political establishment to endorse the full list of 11 European Union countries deemed eligible to join the new single currency, the euro.

But even as it urged the inauguration of the common currency in 1999, "justifiable," the Bundesbank also used its 35-page report to assail high debt levels in Italy and Belgium, which both rank among the 11 founding nations.

Italy and Belgium, which have debt levels twice as high as the EU's benchmarks for monetary union, pose "serious concerns" for the success of the project, the Bundesbank concluded. It noted "significant doubts" over whether the two countries have taken sufficient measures to reduce debt convincingly enough.

But the carefully phrased report

ducked any judgment that would disqualify either candidate, conceding in the final sentence that "the selection of participants ultimately remains a political decision."

Chancellor Helmut Kohl's cabinet unanimously backed the 11 candidates to form a vast new economic bloc stretching from the Mediterranean to Finland, acting Friday after it gained political cover from the Bundesbank and from similar reports this week from the European Monetary Institute and the EU Commission in Brussels.

The declaration from the Bundesbank, the guardian of Germany's post-war economic miracle, represents a political victory for Mr. Kohl, who has fought against the odds for years to overcome Germany's grassroots opposition to abandoning the Deutsche mark.

Despite its criticisms, the Bundesbank report also amounted to a victory for Italy — approval from Bonn was indispensable for Italy's inclusion in the euro. Opinion polls have shown that

See EMU, Page 13

Record Jobless Rate in Japan

Compiled by Our Staff From Dispatches

TOKYO — Japan's unemployment rate rose to a record 3.6 percent in February from 3.5 percent in January as economic ills took their toll in manufacturing and construction, the government said Friday.

The number of unemployed reached 2.46 million, up 160,000 from a year earlier. It is the highest unemployment rate since Tokyo started compiling data in 1953. A large falloff in public works projects and depressed consumer sentiment pushed up the number of workers who lost their jobs, an official said.

Also sounding an ominous note for the economy was a drop in the jobs-to-applicants ratio — seen by many economists as a better indication of future employment conditions. The figure fell to 0.61 in February, from 0.64 in January, meaning there were 61 job openings for every 100 job seekers. It was the lowest level since January 1987.

The bleak data came a day after the

government announced a 16 trillion yen (\$124.9 billion) spending package aimed at stimulating the economy. The package was roundly criticized because it did not contain tax cuts.

"Spending trillions on public works only makes Japan more dependent on public works," said John Takahashi of Mitsubishi Research Institute Inc. "If the government repeats these spending packages indefinitely, the government's battle cry of fiscal reform will die to a whimper."

Also on Friday, Standard & Poor's Corp. cut the credit ratings of Bank of Tokyo-Mitsubishi Ltd., the world's biggest bank, as well as the ratings of three other Japanese banks. Standard & Poor's said profits were getting squeezed by a sluggish economy and billions of dollars in bad loans.

Asahi Bank Ltd., Daiwa Bank Ltd., and Long-Term Credit Bank of Japan Ltd. were the three others downgraded by S&P. (Reuters, AFP, Bloomberg)

ECONOMIC SCENE

Firms Keep Wary Eye on Productivity

By John M. Berry
Washington Post Service

WASHINGTON — As the Dow Jones industrial average closes in on 9,000 points, Wall Street investors implicitly are placing bets that the healthy productivity gains of the past two years will be repeated this year and perhaps in 1999 as well.

The investors, of course, are thinking in terms of growth in corporate earnings, not growth in productivity, a measure of goods produced each working hour.

But in a world of low inflation expectations, few business executives think they can get away with raising prices to lift profit margins. Compensation costs, too, are hard to cut to improve profit, given a national jobless rate of only 4.6 percent and shortages of both entry-level and skilled workers being reported in many parts of the country.

Keeping up productivity growth, then, is particularly important to the bottom line of companies. Any faltering in productivity growth could easily touch off a vicious cycle: A faster increase in unit labor costs would translate into smaller profit margins. That could usher in more inflation as companies raise prices to maintain profits, putting pressure on the Federal Reserve Board to raise interest rates to keep inflation under control. And rising interest rates would likely take some wind out of the sails of the stock market.

There has been remarkable stability of unit labor costs over the past six years in the nonfarm business sector of the economy. After much larger increases in 1990 and 1991, the annual increases have ranged from a low of 1.4 percent in 1994 to a high of 2.4 percent in 1995. In the latter year, productivity rose only 0.2 percent, offsetting little of the 2.5 percent

increase in hourly compensation, according to the Bureau of Labor Statistics. As labor markets tightened, hourly compensation jumped 3.8 percent in 1996 and stayed at that level last year. However, the higher pace of pay increases was more than offset by larger productivity gains, 1.9 percent in 1996 and 1.7 percent last year, so that the rise of unit labor costs was lower in each of the past two years than in 1995.

The annual change in unit labor costs has been another factor that has helped to swell profits and bolster stock

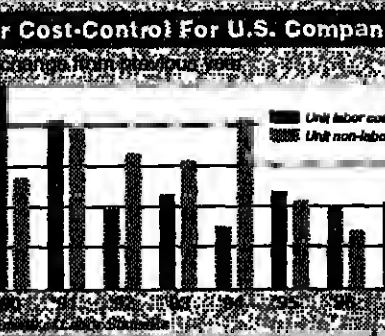
prices. For the past three years, the rate of increase in these costs — which include depreciation, interest payments, rents and indirect taxes — has slowed. Unit nonlabor costs represent about one-third of total business costs.

The result has been smaller annual increases in total unit costs for nonfarm businesses. They rose 2.3 percent in both 1994 and 1995, 1.7 percent in 1996 and 1.8 percent last year. Much of that trend is attributable to intense management focus on keeping costs low.

The wild card in this rosy setting is, again, productivity gains. If they drop off, unit labor costs could rise more rapidly, squeezing profit margins and corporate earnings. If this threatened more inflation, the Fed could raise interest rates, as it did in 1994.

Higher rates could, in turn, cause nonlabor costs to rise more rapidly, too. That could further squeeze earnings and make some investors wish they had placed a different bet.

Joseph Liro, an analyst at Stone & McCarthy, a research firm, raised this possibility this week when he told his firm's clients, "The equity market's surge to new highs over the past six weeks is clear evidence that it has already discounted a pronounced earnings slowdown in the first quarter and is looking for a strong earnings revival in the quarters ahead. Such optimism is based, in part, on belief that the recent



See COSTS, Page 12

CURRENCY & INTEREST RATES

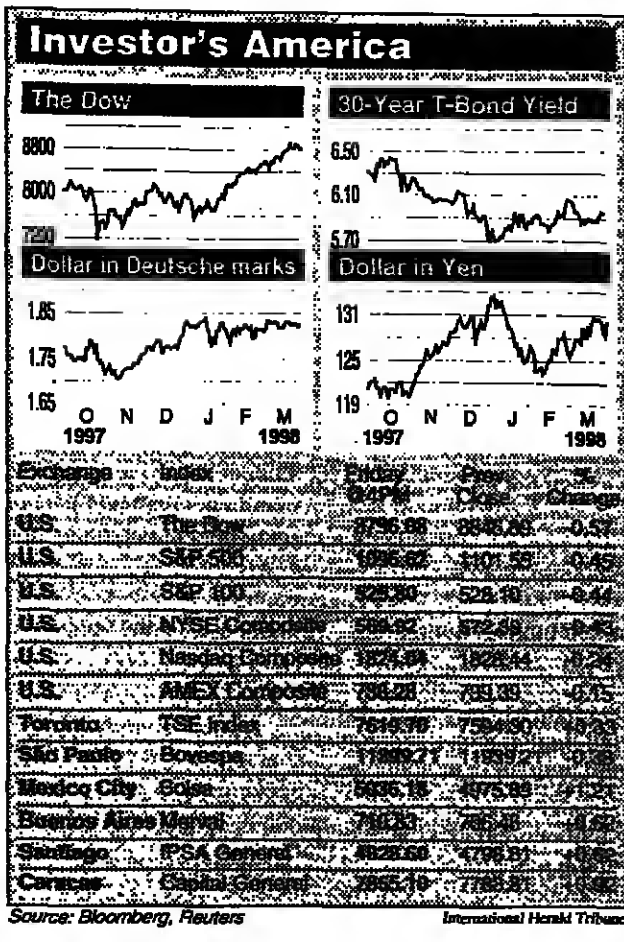
Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	SEK
American	1.0000	0.6936	1.9364	6.5596	107.06	136.76	8.0000	4.6633	13.7556
British	1.4548	1.0000	2.7756	9.3750	156.80	193.60	5.4804	3.0612	95.4782
French	0.1936	0.3603	1.0000	6.5596	166.63	206.47	1.6667	0.9375	29.3656
German	0.0520	0.0937	0.1515	1.0000	248.34	300.36	0.5000	0.2833	9.3646
Italian	0.0136	0.0248	0.0417	0.0625	1.0000	1.2363	0.0244	0.0137	0.4367
Japanese	0.0093	0.0165	0.0278	0.0408	1.0000	1.2363	0.0244	0.0137	0.4367
Swedish	0.0727	0.1324	0.2290	0.3438	0.6515	1.0000	0.0625	0.0357	1.1034
Swiss	0.0120	0.0216	0.0364	0.0540	0.0800	1.0000	0.0244	0.0137	0.4367
Danish	0.0200	0.0360	0.0600	0.0900	0.1250	1.0000	0.0244	0.0137	0.4367
Spanish	0.0166	0.0300	0.0500	0.0750	0.1000	1.0000	0.0244	0.0137	0.4367
Portuguese	0.0200	0.0360	0.0600	0.0900	0.1250	1.0000	0.0244	0.0137	0.4367
Belgian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Netherlands	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Greek	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Israeli	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
South African	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Thai	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Malaysian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Indonesian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Singapore	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Philippine	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Chinese	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Indian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Pakistani	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Egyptian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Israeli	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
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Singapore	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Philippine	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Chinese	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Indian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Pakistani	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367
Egyptian	0.0336	0.0600	0.1000	0.1500	0.2000	1.0000	0.0244	0.0137	0.4367

Libor-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
12-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
18-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
24-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
36-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
48-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
12-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
18-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
24-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
36-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
48-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day		
Pound Sterling	1.6793	1.6769	1.6718	Japanese Yen	128.95	128.43	127.85		
Canadian dollar	1.4716	1.4703	1.4693	Swiss franc	1.4896	1.4884	1.4789		
Dollar	1.8701	1.8701	1.8701						

THE AMERICAS



Very briefly:

- Mexico's president, Ernesto Zedillo, moving to shore up the financial system, asked Congress to allow foreign investors to buy controlling interests in Mexican banks. Foreigners are limited to holding minority stakes in the nation's three largest banking companies: Grupo Financiero Banamex-Accival SA, Grupo Financiero Bancomer SA and Grupo Financiero Serfin SA.
- Adobe Systems Inc.'s shares dropped \$2.50, to \$45.50, after the company said that first-quarter earnings fell 50 percent, to \$22.9 million, because of weak sales in Asia and North America and declining sales of Macintosh products.
- Unisys Corp. and Lockheed Martin Corp. will pay the federal government \$3.15 million for selling the Commerce Department spare parts for a weather radar system at inflated prices, the Justice Department said.
- Delta Air Lines Inc. will buy two more 777-200 jetliners from Boeing Co., in addition to the 10 jets it has on order.
- Sun Co. agreed to acquire a Philadelphia phenol plant from AlliedSignal Inc. for \$185 million to expand its production of chemicals used for making nylon, plywood and plastics.
- A.G. Edwards Inc., a regional brokerage, said its fourth-quarter profit rose 23 percent, to \$73.1 million, driven by a surge in investment banking.

More Cash Fills Americans' Pockets

WASHINGTON—Americans' personal income increased by a strong 0.6 percent in February for the second consecutive month, putting cash in consumers' pockets that should help the economy withstand the Asian financial crisis, data released Friday showed.

Seasonally adjusted to an annual \$7.14 trillion, the gain outpaced the healthy 0.4 percent advance in consumer spending, to an annual \$5.66 trillion, the Commerce Department said.

Debt Downgrades Rate Jitters Add to Wall Street's Worries For Japan Banks Help Dollar Rise

Market News

NEW YORK—The dollar rose against the yen Friday as Japanese bank troubles deepened.

Standard & Poor's downgraded Asahi Bank's credit rating, following similar overnight downgrades on Daiwa and Bank of Tokyo-Mitsubishi.

The downgrades dampened enthusiasm over rumors that Tokyo would eventually give into demands for tax cuts to bolster the economy.

Traders said lingering fears of intervention by the Bank of Japan to dampen the dollar's rise restrained the dollar.

FOREIGN EXCHANGE

an all-out assault on the yen before Japan's fiscal year ends Tuesday.

In 4 P.M. trading, the dollar rose to 130.320 yen from 128.275 yen Thursday.

The dollar rose against European currencies after a report on the single currency from the Bundesbank contained no surprises.

The German central bank's report cited "significant doubts" over whether Italy and Belgium had taken sufficient measures to reduce debt convincingly, but it said that the starting lineup for the euro was a political decision rather than a technical one.

"It may be that the Bundesbank wants to do some finger-pointing now in case EMU runs into trouble later," said John Hazelton, a dealer at Manufacturers & Traders Bank.

The dollar rose to 1.8258 Deutsche marks from 1.8191 DM Thursday. It also rose to 6.1220 French francs from 6.0974 francs, and to 1.4965 Swiss francs from 1.4861 francs. The pound fell to \$1.6830 from \$1.6870.

Rate Jitters Add to Wall Street's Worries

U.S. STOCKS

—the lowest since the government began regular sales of the bonds in 1977—amid optimism Asia's slumping economies would drag on U.S. growth, prompting a rate cut as early as this year.

But there have been only scattered signs that the U.S. economy is losing any steam. The benchmark 30-year Treasury bond was yielding 5.95 percent Friday, down from 5.96 percent Thursday. The price closed up 10/32 point at 102 13/32.

"Once the impact from Asia fades, what's left is a pretty strong economy," said Mitchell Held at Salomon Smith Barney.

But overall strong economic fundamentals were not enough to offset investors' concerns that corporate results will not justify lofty stock prices.

more likely to raise rates than lower them in the months ahead.

"There is worry about the Fed going to a tightening bias," said Tom O'Connell, trader at First Chicago Capital Markets.

Benchmark 30-year bond yields fell as low as 5.66 percent in January.

Technology stocks were rattled by a profit warning from Silicon Graphics. The Nasdaq composite index closed down 4.89 points at 1,823.65.

Sun Microsystems fell 1 1/2 to 4 1/4 amid concern slowing sales in Japan will hurt profit growth for the computer maker this year.

In Focus Systems fell 4% to 9 1/2 after the maker of personal-computer display projectors used in audience presentations said it may lose money in the first quarter because of poor sales.

FPA Medical Management fell 1 1/2 to 16 1/4 after the physician-practice management company said it named Stephen Dresnick, now vice chairman, as chief executive after Seth Flam resigned to pursue other interests. Dresnick said he would slow the company's expansion through acquisitions, which has made it tough for investors to evaluate the company's financial performance.

Transcript International fell 6 7/16 to 9 15/16 after the maker of security products said it was making adjustments to its previously announced financial results.

Columbia Sportswear rose, as 3 15/16 to 21 15/16 after the outdoor apparel company sold 5.6 million shares in an initial public offering. (Bloomberg, Reuters, AP)

Silicon Graphics to Post 'Significant' Loss

Mountain View, California

Silicon Graphics Inc. on Friday forecast a "significant" loss and lower sales for its third quarter as the computer maker struggles with declines in demand for its high-end computers.

The company, known for high-powered "workstation" computers that are used mainly by engineers and in the movie industry, said it would unveil a new strategy in a few weeks aimed at renewed growth. Silicon Graphics earned \$10.5 million in quarter a year ago.

Silicon Graphics has undergone a restructuring in the past six months

after a string of disappointing earnings.

The company said it expected third-quarter sales to fall 23 percent, to \$700 million.

Analysts had expected the company to break even for the three months ending Tuesday. Silicon Graphics will release its quarterly earnings April 21.

The bleak forecast comes as Silicon Graphics grapples with falling prices and stiff competition from rivals with cheaper machines. The January appointment of Richard Belluzzo, a former executive with Hewlett-Packard Co., as chief executive was touted as a major step

toward diversifying its products and returning to profitability.

On the New York Stock Exchange on Friday, Silicon Graphics shares fell 25 cents, to close at \$13.75.

Silicon Graphics is looking to Mr. Belluzzo—nicknamed "Rocket Rick" for his rapid rise at Hewlett-Packard—to help it compete with less expensive machines that run software from Microsoft Corp. and use chips from Intel Corp. The so-called "Wintel" machines have been taking market share from traditional Unix machines made by Silicon Graphics, Sun Microsystems Inc. and others.

(Bloomberg, Reuters)

Murdoch Deal Faces Challenge

By Paul Farhi
Washington Post Service

WASHINGTON—U.S. government antitrust officials are taking aim at Rupert Murdoch's latest high-flying venture.

After almost eight months of investigation, the Justice Department is preparing to challenge a plan by Mr. Murdoch's News Corp. and MCI Communications Corp. to merge their U.S. satellite TV operations with Primestar Partners, the second-largest satellite TV company in the United States, sources familiar with the inquiry say.

The department's telecommunications staff will recommend soon that the merger be blocked or substantially modified, the sources said.

Although such a recommendation does not guarantee that the government will sue to stop Murdoch-MCI and Primestar, it reflects deep-seated concerns by staff experts about the pending \$1.1 billion deal.

Primestar is partly owned by four large cable TV companies, and Justice officials are worried that Primestar will use the powerful Murdoch-MCI satellite operations to harm competing satellite TV companies and preserve the cable industry's market dominance.

COSTS: With Low Inflation, Productivity Growth Is Key to Higher Earnings

Continued from Page 11

strong gains in productivity can be sustained over the next two years."

Mr. Liro said there was an expectation that first-quarter earnings of the companies comprising the Standard & Poor's 500 stock index would be up only 2.3 percent from the same quarter in the previous year. But the year-on-year gains are expected to increase steadily until they reach 15 percent in the fourth quarter and continue at about that pace in 1999.

"If the consensus forecast for earnings growth is anywhere close to present, then we are wrong to question the market's recent push to

new highs," Mr. Liro said. "To us, it will take continued stellar growth in nonfarm labor productivity to achieve such an optimistic earnings growth path."

In fact, Mr. Liro said, it would take productivity growth of 2 percent or better for this year and next for that to happen.

And he cautioned, "It would be truly extraordinary for productivity growth to continue at a 2 percent or better rate this late in a long-lived economic expansion in which the pool of skilled and experienced workers is about exhausted."

If that nevertheless happened, "it would provide powerful evidence

that the economy has indeed shifted to a new era. On this, we remain skeptical," he said.

Another skeptic is the Federal Reserve Board's chairman, Alan Greenspan, who has repeatedly warned that the recent, unexpectedly large productivity gains may not continue. On the other hand, he has not ruled out the possibility that they will.

"The threat of rising costs in tight labor markets has imparted a substantial impetus to efforts to take advantage of possible efficiencies" by investing in advanced technology, Mr. Greenspan told Congress a few weeks ago. "Recent evidence remains consistent with the view

that this capital spending has contributed to a noticeable pickup in productivity—and probably by more than can be explained by usual business cycle forces."

One piece of evidence, he said, is that "the combination of continued low inflation and stable to rising domestic profit margins implies quite subdued growth in total consolidated unit business costs. With labor cost-stimulating more than two-thirds of those costs and labor compensation per hour accelerating, productivity must be growing faster, and that step up must be roughly in line with the increase in compensation growth."

In other words, so far so good.

AMEX

Stock	Sales	High	Low	Latest	Change
IBM	124.50	124.00	124.00	124.50	0.50
Microsoft	55.00	54.50	54.50	55.00	0.50
Apple	45.00	44.50	44.50	45.00	0.50
Oracle	35.00	34.50	34.50	35.00	0.50
Sun	25.00	24.50	24.50	25.00	0.50
HP	15.00	14.50	14.50	15.00	0.50
Intel	10.00	9.50	9.50	10.00	0.50
AMD	5.00	4.50	4.50	5.00	0.50
Nvidia	3.00	2.50	2.50	3.00	0.50
ATI	2.00	1.50	1.50	2.00	0.50
3Dlabs	1.00	0.50	0.50	1.00	0.50
Matrox	0.50	0.40	0.40	0.50	0.10
Leadtek	0.30	0.20	0.20	0.30	0.10
PowerColor	0.20	0.10	0.10	0.20	0.10
ASUS	0.10	0.05	0.05	0.10	0.05
ASRock	0.05	0.02	0.02	0.05	0.03
Biostar	0.02	0.01	0.01	0.02	0.01
DFI	0.01	0.00	0.00	0.01	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	0.00
Hyper	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Nvidia	0.00	0.00	0.00	0.00	0.00
ATI	0.00	0.00	0.00	0.00	0.00
3Dlabs	0.00	0.00	0.00	0.00	0.00
Matrox	0.00	0.00	0.00	0.00	0.00
Leadtek	0.00	0.00	0.00	0.00	0.00
PowerColor	0.00	0.00	0.00	0.00	0.00
ASUS	0.00	0.00	0.00	0.00	0.00
ASRock	0.00	0.00	0.00	0.00	0.00
Biostar	0.00	0.00	0.00	0.00	0.00
DFI	0.00	0.00	0.00	0.00	0.00
Elite	0.00	0.00	0.00	0.00	0.00
Epox	0.00	0.00	0.00	0.00	0.00
Force	0.00	0.00	0.00	0.00	0.00
Gateway	0.00	0.00	0.00	0.00	0.00
Hauppauge	0.00	0.00	0.00	0.00	

EMU: Bundesbank Yields

Continued from Page 11

majority of Germans distrust the new currency partly out of suspicion that Italian-bred inflation could infect it.

[The Bank of France's monetary council released a similar report Friday, also criticizing Italy and Belgium but offering overall support for the single-currency plan, Reuters reported from Paris.]

The Bundesbank's report also dismissed one of Germany's most ardent critics of European integration: Edmund Stoiber, the popular Bavarian state premier who has led opposition to the euro for more than a year.

Conceding that the central bank's report had removed the last obstacle in Germany to the new currency's launch, Mr. Stoiber said that he was now satisfied because the Bundesbank judged that a 1999 start was "justifiable."

"That is exactly what I wanted to hear, and I believe that, at least for my part, continued positive support would not have been possible without such an evaluation," Mr. Stoiber told a gathering of Bonn's upper house of Parliament, the Bundesrat. Mr. Kohl commissioned the Bundesbank's report on the insistence of Mr. Stoiber.

Europe's new currency zone now looks certain to encompass more than 300 million Europeans in the founding states: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland.

Speaking in Bonn, the Bundesbank president, Hans Tietmeyer, put a harder edge on the criticism in the report, saying that he did not share the view of the EU Commission that all 11 prospective members were fiscally ready.

Belgian and Italian debt is double the ratio of 60 percent in relation to gross domestic product, Mr. Tietmeyer pointed out after the cabinet meeting.

The Bundesbank demanded "binding" commitments from both Belgium and Italy to cut their debt before adopting the euro.

Specifically, it urged both countries to institute strict budget measures that will swing their annual deficits into surpluses, thus leading to a rapid reduction in debt.

Without citing any specific measures, Italy's prime minister, Romano Prodi, quickly responded from Rome with a pledge to cut debt.



Hans Tietmeyer, the Bundesbank president, second from right, at a cabinet meeting on Friday.

U.K. Extends Deadline on 'Chunnel' Link

Compiled by Our Staff From Dispatches

LONDON — Deputy Prime Minister John Prescott gave the group building a high-speed rail link between London and the Channel Tunnel another two months to refinance the project.

Mr. Prescott said the group, London & Continental Railways, will now have until May 29 to secure the funding it needs after making "material progress" in finding a way to finance the project with Railtrack Group PLC, the owner of Britain's rail network.

Acknowledging the possibility that the £5.4 billion (\$9.1 billion)

link may be built in two phases to ease funding problems, Mr. Prescott said proposals so far from private-sector companies involved in the project are still asking for too much extra funding.

The original project collapsed in January because Mr. Prescott refused a request for an extra £1.2 billion of subsidy.

Mr. Prescott's written parliamentary statement said proposals from London & Continental, the project leader of the consortium and Railtrack "do not yet meet the government's requirements."

Reports have said the group's plan could delay the link's opening until at least 2002. It had been scheduled to open in 2003.

London & Continental won the concession to build the link and run Eurostar passenger train services through the Channel Tunnel in 1996.

The group consists of Bechtel Group Inc., based in San Francisco, Virgin Group Ltd., National Express PLC, SBC Warburg, London Electricity PLC and three smaller civil engineering and consulting firms — Systra, Arup and Halcrow. (Bloomberg, Reuters)

BMW Makes Offer for Rolls-Royce

Compiled by Our Staff From Dispatches

MUNICH — Bayerische Motoren Werke AG said Friday it had bid for Rolls-Royce Motor Cars Ltd., vying with its rival Volkswagen AG for one of the world's most prestigious automobile brands.

Both bidders have kept the value of their offers for the Vickers PLC unit a secret, but the daily Bild-Zeitung has put the bid by VW at 1.5 billion Deutsche marks (\$820.3 million). VW has declined to comment on the report.

Vickers is expected to choose a buyer in two weeks for the maker of Rolls-Royce and Bentley cars.

The two German companies had

sparred for weeks over their intention to court Rolls-Royce.

The head of BMW, Bernd Pischetsrieder, threatened to cease supplying engines to Rolls if BMW were unable to take control. BMW makes the 5.4-liter, V-12 engines for Rolls's new Silver Seraph limousines.

The chairman of VW, Ferdinand Piech, countered that VW was developing a 12-cylinder engine that would fit Rolls-Royce. He also said that if VW's bid were unsuccessful it would launch two luxury models of its own.

Daimler-Benz AG, which was once attracted to Rolls, has said several times that it is no longer a suitor.

But Vickers has reportedly drawn separate bids from a former Rover Group executive and from Doughty Hansen, a venture capitalist.

Rolls-Royce, facing increasing competition from Japanese and German luxury carmakers, produced 1,918 cars in 1997, up 10 percent from 1996. Vickers put the company up for sale, saying it wanted to concentrate on its defense business.

Both German automakers want to retool the company's factories to produce more cars each year. Mr. Pischetsrieder has said it could take an investment of \$1.6 billion to triple Rolls' production to 6,000 cars a year. (Bloomberg, AFP)

Power Shift Lifts Stocks In Moscow

Bloomberg News

MOSCOW — Russian stocks and bonds rose Friday after President Boris Yeltsin nominated Sergei Kiriyenko, the former fuel and energy minister, as prime minister.

Mr. Kiriyenko, also a former president of NORSI Oil Co., is considered an advocate of market reforms. He was nominated with instructions to accelerate economic growth, increase government revenues and pay back wages.

The Russian Trading System 106-share index rose almost 2 percent to end at 341.48. Debt prices also rose. Investors are optimistic that the government is at least committed to fostering economic growth. But analysts said Mr. Kiriyenko must now convince investors that Russia will cut spending, make its tax system simpler and more effective, and protect shareholders' rights.

"It has been quite well-established that reforms will continue by naming Kiriyenko," said Yves Kuhn at Pictet Targeted Fund Eastern Europe. "As long as there are reformers in the government, I feel more comfortable, but at the end of the day what we want to see are actions."

Mr. Kiriyenko will replace Viktor Chornomyrdin, whose government was dismissed Monday by Mr. Yeltsin, who contended that it had lost momentum and failed to lift the economy's growth rate above 0.4 percent a year.

Parliament must vote on Mr. Kiriyenko's nomination within a week. The president also signed into law a budget that lowers the deficit to 4.7 percent of gross domestic product from an estimated 7 percent last year, and represents Russia's most realistic spending plan since the fall of the Soviet Union, analysts said.

The government is working to eliminate all of the debts it owes companies, including those incurred when ministries from defense to education got natural gas or electricity they did not pay for. Those debts totaled 760 billion rubles (\$124.6 billion) at the end of last year, the former First Deputy Prime Minister Anatoli Chubais said last week.

What is more, the amount of unpaid wages owed by government organizations rose 21 percent in February, to 7.6 billion rubles.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
5000	6000	3750		
4700	5750	3500		
4400	5500	3250		
4100	5250	3000		
3800	5000	2750		
3500	4750	2500		
1997	1998	1997		
Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	1,140.84	1,129.12	+1.04
Brussels	BEL-20	2,983.98	2,997.94	-0.47
Frankfurt	DAX	5,063.16	5,088.78	-0.50
Copenhagen	Stock Market	761.76	761.42	-0.05
Helsinki	HEX General	4,362.88	4,347.28	+0.36
Oslo	OBX	743.15	735.00	+1.11
London	FTSE 100	5,899.38	5,905.60	-0.57
Madrid	Stock Exchange	887.91	880.70	+0.82
Paris	MISTEL	2,987.77	2,983.78	+0.32
Milan	CAC 40	3,810.23	3,783.78	+0.70
Stockholm	SX 16	3,925.46	3,899.48	+0.67
Vienna	ATX	1,509.92	1,478.44	+2.06
Zurich	SPI	4,687.27	4,624.25	+1.36

Source: Telekurs International Herald Tribune

Very briefly:

- Germany's 3.2 million public-service workers reached a settlement in salary talks, agreeing to 1.5 percent pay raises, but the pact still needs to be ratified. Unions said the prospective settlement had put off the threat of a strike. Further talks on salary begin Thursday.
- Guinness Mahon Holdings PLC, a British investment bank owned by Bank of Yokohama, is in exclusive sale talks with Investec Group Ltd. of South Africa.
- Mediabanca SpA plans to ask shareholders to approve the sale of 1.333 trillion lire (\$739.8 million) in new stock to finance its holdings in Assicurazioni Generali SpA and other companies and bolster its investment-banking business.
- Great Universal Stores PLC and American Business Information Inc. have raised their offers for Metromail Corp., a U.S. direct marketer, to more than \$900 million.
- Gruener & Jahr AG, a German publisher owned by Bertelsmann AG, has bought 75 percent of News GmbH & Co., an Austrian publisher, from Fellner Media AG and Axel Springer Verlag AG.
- Lonrho PLC's shareholders have approved the British conglomerate's plans to demerge its African nominating businesses into a new company, Lonrho Africa PLC.
- Monoprix SA, a French retailer controlled by Galeries Lafayette SA, said 1997 earnings rose 26 percent, to 80.7 million French francs (\$13.2 million), lifted by the acquisition of Prisma SA in October.
- Russia moved to support its oil industry, hit by heavy losses as crude prices drop, by scrapping charges for the transit of oil through Russian pipelines, the Inter-Tass news agency said.
- BASF AG said its sales growth in the Asia-Pacific region would probably slow to 10 percent this year — half its earlier forecast — as the Southeast Asian currency crisis weakened demand. (Bloomberg, Reuters, AFP)

WORLD STOCK MARKETS

Friday, March 27
Prices in local currencies.

High Low Close Prev.

Amsterdam AEX Index: 1140.84

Brussels BEL-20 Index: 2983.98

Frankfurt DAX Index: 5063.16

London FTSE 100 Index: 5899.38

Madrid Stock Exchange: 887.91

Paris MISTEL Index: 2987.77

Stockholm SX 16 Index: 3925.46

Vienna ATX Index: 1509.92

Zurich SPI Index: 4687.27

High Low Close Prev.

Deutsche Bank 136.00 137.25 139.50 137.45

Commerzbank 135.00 136.25 138.50 136.45

Dresdner Bank 134.00 135.25 137.50 135.45

Hypo Real Estate 133.00 134.25 136.50 134.45

Paribas 132.00 133.25 135.50 133.45

Societe Generale 131.00 132.25 134.50 132.45

Union Bank 130.00 131.25 133.50 131.45

WestLB 129.00 130.25 132.50 130.45

ZKB 128.00 129.25 131.50 129.45

BAWAG 127.00 128.25 130.50 128.45

Erste Bank 126.00 127.25 129.50 127.45

Hypo Alpe Adria 125.00 126.25 128.50 126.45

Hypo Tirol 124.00 125.25 127.50 125.45

Hypo Vorarlberg 123.00 124.25 126.50 124.45

Hypo Oberdanube 122.00 123.25 125.50 123.45

Hypo Niederdanube 121.00 122.25 124.50 122.45

Hypo Burgenland 120.00 121.25 123.50 121.45

Hypo Salzburg 119.00 120.25 122.50 120.45

Hypo Steiermark 118.00 119.25 121.50 119.45

Hypo Kärnten 117.00 118.25 120.50 118.45

Hypo Friaul 116.00 117.25 119.50 117.45

Hypo Trentino 115.00 116.25 118.50 116.45

Hypo Veneto 114.00 115.25 117.50 115.45

Hypo Friuli 113.00 114.25 116.50 114.45

Hypo Udine 112.00 113.25 115.50 113.45

Hypo Gorizia 111.00 112.25 114.50 112.45

Hypo Trieste 110.00 111.25 113.50 111.45

Hypo Treviso 109.00 110.25 112.50 110.45

Hypo Belluno 108.00 109.25 111.50 109.45

Hypo Pordenone 107.00 108.25 110.50 108.45

Hypo Udine 106.00 107.25 109.50 107.45

Hypo Trieste 105.00 106.25 108.50 106.45

Hypo Treviso 104.00 105.25 107.50 105.45

Hypo Belluno 103.00 104.25 106.50 104.45

Hypo Pordenone 102.00 103.25 105.50 103.45

Hypo Udine 101.00 102.25 104.50 102.45

Hypo Trieste 100.00 101.25 103.50 101.45

Hypo Treviso 99.00 100.25 102.50 100.45

Hypo Belluno 98.00 99.25 101.50 99.45

Hypo Pordenone 97.00 98.25 100.50 98.45

Hypo Udine 96.00 97.25 99.50 97.45

Hypo Trieste 95.00 96.25 98.50 96.45

Hypo Treviso 94.00 95.25 97.50 95.45

Hypo Belluno 93.00 94.25 96.50 94.45

Hypo Pordenone 92.00 93.25 95.50 93.45

Hypo Udine 91.00 92.25 94.50 92.45

Hypo Trieste 90.00 91.25 93.50 91.45

Hypo Treviso 89.00 90.25 92.50 90.45

Hypo Belluno 88.00 89.25 91.50 89.45

Hypo Pordenone 87.00 88.25 90.50 88.45

High Low Close Prev.

Thomson Water 9.00 9.10 9.20 9.10

British Water 8.50 8.60 8.70 8.60

Severn-Trent 8.00 8.10 8.20 8.10

Thames Water 7.50 7.60 7.70 7.60

Anglian Water 7.00 7.10 7.20 7.10

Yorkshire Water 6.50 6.60 6.70 6.60

Wessex Water 6.00 6.10 6.20 6.10

Southern Water 5.50 5.60 5.70 5.60

East of England 5.00 5.10 5.20 5.10

London & South 4.50 4.60 4.70 4.60

South West 4.00 4.10 4.20 4.10

South East 3.50 3.60 3.70 3.60

East of London 3.00 3.10 3.20 3.10

London & North 2.50 2.60 2.70 2.60

North West 2.00 2.10 2.20 2.10

North East 1.50 1.60 1.70 1.60

Yorkshire & North 1.00 1.10 1.20 1.10

Yorkshire & South 0.50 0.60 0.70 0.60

Yorkshire & West 0.00 0.10 0.20 0.10

Yorkshire & East 0.00 0.10 0.20 0.10

Yorkshire & North 0.00 0.10 0.20 0.10

Yorkshire & South 0.00 0.10 0.20 0.10

Yorkshire & West 0.00 0.10 0.20 0.10

Yorkshire & East 0.00 0.10 0.20 0.10

Yorkshire & North 0.00 0.10 0.20 0.10

Yorkshire & South 0.00 0.10 0.20 0.10

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Yorkshire & West 0.00 0.10 0.20 0.10

Yorkshire & East 0.00 0.10 0.20 0.10

Yorkshire & North 0.00 0.10 0.20 0.10

Yorkshire & South 0.00 0.10 0.20 0.10

High Low Close Prev.

Unilever 42.00 42.10 42.20 42.10

Nestle 41.00 41.10 41.20 41.10

Danone 40.00 40.10 40.20 40.10

Carlsberg 39.00 39.10 39.20 39.10

Heineken 38.00 38.10 38.20 38.10

J. & J. 37.00 37.10 37.20 37.10

Heineken 36.00 36.10 36.20 36.10

J. & J. 35.00 35.10 35.20 35.10

Heineken 34.00 34.10 34.20 34.10

J. & J. 33.00 33.10 33.20 33.10

Heineken 32.00 32.10 32.20 32.10

J. & J. 31.00 3

Intellectual

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

[illegible]

By Philip Segal

INDONESIA — A special mission of President Suharto of Indonesia Friday said a significant amount of the rupiah slipped in value two days after Suharto's finance minister announced a cash option.

He said he knew it was unfair.

Steve Horvath, a professor at the Horvath University in Baltimore, said on the sidelines of an annual conference here.

Wednesday, Finance Minister Bambang said the government dropped the idea of a currency which had been sternly opposed by the International Monetary Fund, the United States and the European. But Mr. Suharto has not repeated the topic since then.

A bout-face by Indonesia in its currency board could rock real markets in the country and Indonesia's stock market already have rallied this week.

A perception that negotiations the IMF were going well.

Friday, optimism about an agreement helped the Jakarta

the...
leader...
an...
strong...
\$250...
with...
option...
Hank...
it's...
in the...
New...
crisis...
to...
but...
hard...
don't...
but...
with...
com...
He...
pri...
rock...
per...
dollar...
rency...
would...
foreign...
two...
other...
Mr. Han...

100

1. *Journal of the American Medical Association*, 1997; 277: 1033-1036.

Let H.I. would like to remain as

ABN-AMRO BANK

Open-end investment fund which aims to place
income and capital appreciation through investments

Performance

15 _____
140 _____

Year	United States	Japan	Soviet Union
1950	120.5	120.5	120.5
1960	121.5	121.5	121.5
1970	121.2	121.2	121.2
1980	122.5	122.5	122.5

Year	United States	Japan	Soviet Union
1950	102	100	100
1955	103	103	101
1960	104	105	102
1965	105	108	103
1970	106	109	104
1975	107	110	105
1980	108	110	105

1294 6195 1295 6196 1297 6198

- S&P 500 Index (hedged)

- Shares outstanding
- Net asset value per share

*) Per 31 December, 1997

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ASIA/PACIFIC

Intellectual Piracy in China: 'Far From Dead'

By Steve Mufson
Washington Post Service

BEIJING — Pirated copies of Chemical Abstracts magazine are not the kind of things that are hawked on street corners. That's why its publishers think it is a good litmus test of China's commitment to stopping the theft of intellectual property.

The thick weekly compendium of important chemical research is a standard on library shelves of major universities, chemical research institutes and petrochemical industry laboratories — which in China are all run by the central government. Yet the American publisher of the journal says there are only nine subscriptions in all of China, a country with 1.3 million scientists, dozens of major universities and research institutions, several big chemical companies and many major municipal libraries.

"This isn't a guy knocking off Disney tapes in a back alley where

the government is not enforcing the law," said Bart Fisher, a lawyer representing the American Chemical Society, which has been negotiating with the Chinese government for two years. "This is where the government is the actor."

Nearly two years after a last-minute agreement between China and the United States averted a trade war over violations of intellectual property rights, the piracy of intellectual property is still an issue. Despite the 1996 accord, the value of pirated goods in China grew to about \$2.3 billion in 1997 from about \$2.3 billion in 1996, according to the International Intellectual Property Alliance. As the U.S. trade deficit with China and Asia in general rises this year, the intellectual property issue could become contentious again.

Piracy of intellectual property in China is "far from dead and gone," said Tom Robertson, a Hong Kong-based lawyer for Microsoft Corp. which has doubled its anti-piracy

staff in Asia. And yet the software, publishing, movie and recording industries last month decided against asking the Office of the U.S. Trade Representative to seek trade sanctions on China.

Citing China's attempts to crack down on manufacturers of bootleg compact disks, some heavy sentences for importers of pirated videotapes and the first raid on an end user of pirated business software, industry groups instead asked that China remain in its current status — under close scrutiny and monitoring.

China's biggest success has been in trimming the extent of piracy of music compact disks. It has reduced the production of pirated music CDs to an estimated value of \$150 million, down 15 percent from 1996, although other forms of bootleg production are booming. While the bulk of the domestic market remains pirated, China has mostly halted the export of illegal disks.

Since the agreement in May 1996,

Chinese authorities say they have seized 52 production lines capable of making illegal CDs, CD-ROMs and videotapes from 33 factories, mostly in the southern province of Guangdong. China also has instituted a reward system that pays up to \$35,000 for information leading to the seizure of bootleg CD lines.

As a result of the crackdown, however, CD pirates have simply moved to Hong Kong and Macau. Industry officials say the number of CD and CD-ROM manufacturing facilities went from zero to more than 100 in two years in Macau. In Singapore, videotape versions of "Titanic" were available less than two weeks after the movie's release in U.S. theaters.

As a result, China's anti-piracy efforts for CDs have shifted from raiding production plants to fighting importers and smugglers. Raids in Guangdong have netted several intermediaries. In December, three men were given prison sentences of 12 years to life for smuggling.

Seoul to Lift Barriers to North Korea

Compiled by Our Staff From Despatches

SEOUL — In a shift aimed at luring North Korea toward peace, South Korea said Friday that it would soon lift virtually all restrictions on investment in the communist country.

Beginning next month, South Korea will allow its businesses to invest freely in the North except in defense and other strategic heavy industries.

Until now, the South has allowed piecemeal investment in the North. Business executives have had to go through lengthy government red tape to get permission to discuss a deal in the North. Even those negotiations have often been suspended at the slightest sign of political tension.

From now on, we will separate politics from business when we deal with the North," Unification Minister Kang In Duk said.

Mr. Kang is the top government official in charge of Seoul's policy toward the North. He declined to elaborate on the new policy, but ministry officials said the new government of President Kim Dae Jung would actively push for economic and other civilian contacts with the North.

Mr. Kim is the first opposition leader to be elected president in South Korean history. He took office in February with a pledge to pursue a thaw with North Korea, with which South Korea is technically in a state of war.

Officials said the government, among other things, would lift the \$5 million ceiling on investment in North Korea and permit the heads of major conglomerates to visit the North freely to explore investment opportunities.

South Korean investment in the reclusive North is limited to so-called processing-on-consumption projects, under which the South sends materials and equipment for assembly and finishing in the North.

Nearly all major South Korean business groups have ambitious investment plans for the North.

Also Friday, Lim Dong Won, President Kim's national security adviser, said Seoul was considering sending addresses of its separated families to the North to prepare for possible family reunions.

(AP, Reuters)

Investor's Asia

| Hong Kong Hang Seng | Singapore Straits Times | Tokyo Nikkei 225 |
|---------------------------|-------------------------|------------------|
| 15500 | 2000 | 18250 |
| 14000 | 1800 | 17500 |
| 12500 | 1600 | 16750 |
| 11000 | 1400 | 16000 |
| 9500 | 1200 | 15250 |
| 8000 | 1000 | 14500 |
| 1997 | 1997 | 1997 |
| Exchange Index | Index | Index |
| Friday Close | Friday Close | Friday Close |
| Prev. Close | Prev. Close | Prev. Close |
| % Change | % Change | % Change |
| Hong Kong Hang Seng | 11,735.50 | 11,757.88 |
| Singapore Straits Times | 1,653.93 | 1,651.84 |
| Sydney All Ordinaries | 2,762.70 | 2,761.10 |
| Tokyo Nikkei 225 | 16,739.26 | 16,980.82 |
| Kuala Lumpur Composite | 727.82 | 733.31 |
| Bangkok SET | 489.85 | 470.87 |
| Seoul Composite Index | 503.08 | 501.13 |
| Taipei Stock Market Index | 9,085.83 | 9,014.17 |
| Manila FSE | 2,301.66 | 2,310.37 |
| Jakarta Composite Index | 542.10 | 532.81 |
| Wellington NZSE-40 | 2,346.91 | 2,348.32 |
| Bombay Sensitive Index | 3,908.60 | 3,891.76 |

Very briefly:

- A former manager of Mitsubishi Electric Corp., Yoshiaki Sugita, 47, was sentenced to four months in prison by a Tokyo district court for handling 4.6 million yen (\$36,000) in bush money to a racketeer. In the city of Nagoya, a court sentenced Ryuga Haga, 68, to four months in prison for demanding 950,000 yen in payoffs from the department store chain Matsuzakaya Co. Both men received suspended sentences.
- Sakura Bank Ltd. is selling about 400 billion yen in bad loans to two U.S. firms. The bank did not name the buyers or the price, but the Nihon Keizai Shimbun said the loans were sold for 15 percent of book value. David Atkinson, managing director at Goldman Sachs (Japan) Ltd., said such announcements by Japanese banks "represent a minute fraction of the total amount of real estate, which these banks own."
- Japan's vehicle exports rose 14 percent in February from the same month in 1997, to 388,522 vehicles — the 21st consecutive rise, reflecting carmakers' efforts to compensate for a slumping domestic auto market.
- South Korean prosecutors arrested three men on charges of helping the French discount retailer Carrefour SA to illegally send 34.07 billion won (\$24.5 million) out of the country.
- Hong Kong banks are cutting their prime lending rate by 0.25 percentage point, to 10 percent, effective Monday.
- India eased rules on foreign investment. Foreign equity mutual funds can invest as much as 30 percent of their funds in Indian government bonds. Previously, they could only invest in corporate bonds or stocks. Foreign institutional investors will also be allowed to lend their Indian stocks to other investors.
- Tan Chong Motor Holdings Bhd., a Malaysian company that assembles and sells Nissan Motor Co. cars, is cutting production by 70 percent this year and has fired 40 percent of its 900 assembly-line workers.

Is Jakarta Currency Board Alive?

By Philip Segal
International Herald Tribune

HONG KONG — A special adviser to President Suharto of Indonesia said Friday that a rigidly fixed exchange rate for the rupiah was still a possibility, two days after the country's finance minister appeared to rule out such an option.

"As far as I know it's not ruled out," Steve Hanke, a professor at Johns Hopkins University in Baltimore, said on the sidelines of an investment conference here.

On Wednesday, Finance Minister Fud Bawazier said the government had dropped the idea of a currency board, which had been sternly opposed by the International Monetary Fund, the United States and the European Union. But Mr. Suharto has not addressed the topic since then.

An about-face by Indonesia in favor of a currency board could rock financial markets in the country and beyond. Indonesia's stock market and currency have rallied this week on the perception that negotiations with the IMF were going well.

On Friday, optimism about an IMF agreement helped the Jakarta Stock Exchange composite index

rise for a third straight day. The index gained 9.3 points, to 542.10, an eight-week high. The rupiah also strengthened; the dollar slipped to 8,525 rupiah from 8,550.

While the finance minister's opinion carries some sway, Mr. Hanke said, "At the end of the day, it's the president who decides."

In theory, a currency board bolsters confidence in a currency because of a government promise not to print any more money unless it is backed and exchangeable for a set amount of U.S. dollars or another hard currency. Critics argue that Indonesia does not have enough foreign-currency reserves to do this, but on Friday Mr. Hanke came up with a method he says would circumvent the problem.

He proposed that Indonesia stop printing rupiah and issue a new currency. The new currency would be pegged at a fixed rate to the U.S. dollar; how much of the new currency the government could print would be limited by the amount of foreign exchange on hand. With the two currencies floating against each other and circulating side-by-side, Mr. Hanke said, "The good money would chase out the bad."

Those pushing for a currency board argue that the main thing ailing Indonesia at the moment is instability. With a currency board "you'd get stability fast," said Mr. Hanke, although he is hardly promising smooth sailing in the event Indonesia adopts his plan.

Because the effects of Indonesia's massive growth in credit and its huge currency devaluation have yet to be fully passed through the economy, he predicted plenty of inflation for Indonesia "no matter what they decide to do."

One fund manager in Hong Kong dismissed the currency board plan as unworkable, not on technical grounds but because markets do not believe Mr. Suharto would stick with the pegged exchange rate.

"Nobody's telling Suharto 'Your kids are going to lose billions of dollars, your friends will go bankrupt and your banks will go under,'" the fund manager said.

The idea that restoring confidence in Indonesia depends principally on Mr. Suharto was echoed by Richard Holbrooke, a former U.S. assistant secretary of state for East Asian affairs and now an executive with Credit Suisse First Boston.

IMF Backs Plan On Indonesia Debt

Reuters

JAKARTA — The International Monetary Fund on Friday backed an Indonesian formula that would enable the country to tackle its mountain of private debt, an issue seen as critical to the nation's economic recovery.

The IMF said the \$74 billion private-sector debt problem by using a model adopted by Mexico in the early 1980s had merit, although it had to be approved by foreign creditors.

Few details of the debt formula emerged after a meeting between the sides on Friday, but Hubert Neiss, the leader of the IMF delegation, said it was based on Mexico's program.

Indonesia also said it would prepare a draft bankruptcy law by next month, seen as key to reviving investor confidence.

What many countries in Asia are suffering from "is not an economic crisis. It's a political crisis," he said, adding that the volatility of the rupiah is due to the "underlying political structure" of Indonesia.

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The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as up.

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(*) Per 31 December, 1997

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Magnum specializes in blending different hedge fund strategies into funds of funds — seeking to provide investors with consistent long-term returns within given parameters of volatility.

Magnum's results have included:

- the top-performing fund of funds in the world for 1997 as ranked by M&A Hedge.
- the top-performing US equity fund in the world for 1997 as ranked by Lipper Analytical Services.
- the top-performing fund of funds in the world for the previous 12 months, as ranked by The Wall Street Journal Europe and Asia on March 5, 1998.
- the top-performing multifund with a U.S. geographic emphasis for calendar year 1996, and again for the 12 months through July, August, September, October and November 1997, as ranked by Lipper Analytical Services.
- the world's top-performing offshore global equity fund for the 12 months through April 4, 1997 as ranked by The Wall Street Journal Europe and Asia.
- Four Magnum Funds were listed in the October 27, 1997 issue of Barron's (U.S. financial weekly) among the top six funds of funds in the world managing at least \$20 million in assets, ranked by year-to-date return.

For more information, fax Dion Friedland at Magnum (Bahamas) at 1-242-394-3284 or visit our web site at www.magnumfund.com

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- Absolute Returns
- Top Performance
- Diversified

One of the most exceptional investment funds. Ranked in the top five actively hedged funds for one year and three year performance by *Managed Account Reports*.

| | |
|------------------------|---------|
| Growth - 1997 | 47.88% |
| Growth since inception | 243.75% |
| Annualised return | 23.94% |
| Annualised volatility | 14.84% |
| Sharpe ratio | 1.28 |

Momentum

For further information please circle the appropriate number on the information coupon.

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Why to invest now? At no other time in the past 20 years have there been so many opportunities as there are now. The Internet, 95, video conferencing, voice recognition, Internet, Networking, ATM, PC services, etc. These actual and upcoming themes will be the driving force in the technology stock market over the foreseeable future.

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Since inception in US Dollars +1

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| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | | | |

Name _____
Title (i.e. Mr, Mrs or Ms) _____
Initials _____
Nationality _____
Company _____
Position _____
Address _____
City _____
Code _____
Country _____
Tel _____
Fax _____
E-mail address _____

IHT 28/03/98

Friday's 4 P.M.

Friday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.

[illegible][illegible]

| Line | Low | High | FE | TH | DE | Stock | 12 Month |
|------|-----|------|-----|-----|-----|-------|----------|
| 1 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 2 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 3 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 4 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 5 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 7 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 21 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 25 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 32 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 36 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 38 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
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| 48 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 49 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 50 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 51 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| 52 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |

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|----|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |

Microchip Of Personal Intuit Still Holds Sw

By Barbara Wall

FINANCIALS in a nutshell: The 1991 fiscal year investment strategy. Draining your bank account. Well, Microsoft Corp. and Intel Inc., the two leading computer personal finance programs, will each lose 12 million subscribers in 1991, according to the authors of a new on-line financial report. The latest version of their program offers new money management tools, more on-line banking connections and more embedded Internet browsers to help users get an instant view of their finances.

Intel is the standard for computer personal finance managers and the parent of Quicken in 1984. Competitors have offered rival programs but none have come close to Intel's main competitor is Microsoft's Money, which has less than 10 percent of the market. Computer events International Inc.'s Simply Easy and Managing Your Money by the Software Inc. have an estimated 1 percent of the market. Quicken has an estimated 40 percent of the personal finance software market.

Philip A. Smith, a spokesman for the U.S. House Office Committee on Oversight, suggests that Quicken's position is unassailable.

Intel's market share is growing, although it is not as extensive on line due to connections and the fact that Quicken is giving the software away to charge in many instances, but Intel is still easier to use and has features that no other package has. Even after the trumpeted Intel Money 98, Microsoft is still holding its own," he said.

Money 98 has had a complete makeover to a browser style with one and one-click links. The spin is promoted as being less than more intuitive. Microsoft has also moved an advanced version of the

Friday's 4 P.M. Close

(Continued)

[illegible][illegible][illegible][illegible]

| 12 Month | Low | High | Stock | Div Yld | PE | P/E | 100 Days | Low | High | Low | High |
|----------|-------|-------|---------|---------|----|-----|----------|-------|-------|-------|-------|
| 14 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 15 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 16 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 17 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 18 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 19 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 20 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 21 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 22 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 23 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 24 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 25 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 26 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 27 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 28 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 29 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 30 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 31 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 32 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 33 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 34 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 35 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 36 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 37 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 38 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 39 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 40 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 41 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 42 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 43 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 44 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 45 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 46 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 47 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 48 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 49 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |
| 50 | 30.45 | 31.15 | Tarapur | 3.0 | 2 | 11 | 121 | 29.95 | 30.55 | 23.95 | 24.55 |

| Age | 12 Month
High
Low | Stock | Div Yld | PE | 1987
High
Low | Low/Latest |
|-----|-------------------------|--------------|---------|----|---------------------|------------|
| 41% | 58% | 21A Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21B Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21C Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21D Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21E Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21F Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21G Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21H Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21I Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21J Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21K Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21L Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21M Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21N Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21O Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21P Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21Q Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21R Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21S Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21T Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21U Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21V Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21W Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21X Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21Y Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21Z Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AA Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AB Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AC Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AD Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AE Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AF Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AG Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AH Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AI Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AJ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AK Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AL Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AM Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AN Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AO Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AP Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AQ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AR Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AS Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AT Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AU Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AV Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AW Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AX Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AY Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21AZ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BA Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BB Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BC Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BD Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BE Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BF Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BG Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BH Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BI Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BJ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BK Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BL Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BM Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BN Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BO Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BP Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BQ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BR Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BS Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BT Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BU Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BV Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BW Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BX Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BY Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21BZ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CA Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CB Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CC Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CD Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CE Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CF Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CG Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CH Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CI Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CJ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CK Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CL Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CM Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CN Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CO Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CP Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CQ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CR Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CS Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CT Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CU Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CV Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CW Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CX Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CY Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21CZ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DA Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DB Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DC Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DD Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DE Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DF Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DG Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DH Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DI Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DJ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DK Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DL Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DM Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DN Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DO Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DP Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DQ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DR Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DS Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DT Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DU Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DV Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DW Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DX Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DY Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21DZ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21EA Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21EB Unifund | — | — | 87 57% | 37% |
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| 41% | 58% | 21EH Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21EI Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21EJ Unifund | — | — | 87 57% | 37% |
| 41% | 58% | 21EK Unifund | — | — | 87 57% | 37% |
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tracking services. Plus facilities
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age their investment portfolios and
profile.

A major addition to Money 98 is
embedded browser. If you want to

Intuit Seeks Wid

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Speaking man for Intuit, in London
the two products — Quick-
personal finance software and the
financial offerings — are com-
pletely separate entities. "Intuit will
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Internet service through adver-
tising sales. It may also get com-
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Intuit's biggest competitor, MS-

Don't Bail O

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2. Richard Wall

FINANCING is a headache for most small business owners. Draining your bank account? Well, Microsoft Corp. and Quicken, the two leading consumer personal finance programs, will each give 12 million small-business owners a free effort to have the software installed on on-line financial services. The latest version of the software, Quicken 98, features a program that lets money managers use on-line banking services and their embedded investment services to help assets get an optimal return on their finances.

Investment services are considered for companies and personal finance managers with the version of Quicken in 1994. Companies have offered similar programs but none have come close to Quicken's main competitor in Microsoft's Money, which has less than 10 percent of the market. Computer Associates International Inc.'s Simply Money and Vanguard Your Money by Fidelity Software Inc. have an estimated 1 percent of the market. Quicken has been capturing 60 percent of the personal finance software market.

Philip Adams, a spokesman for the U.S. Small and Home Office Commission, suggests that Quicken's position is unsurvivable in the market share is growing, but he cautions it's extensive on-line trading connections and the fact that it's getting the software away from charge of many investors, but the software is still easier to use and has more insurance than any other package on the market. Even after the trumpeted Quicken 98, Microsoft is still a dominant force," he said.

Money 98 has had a complete makeover to a browser style with icons and one-click links. The program is promoted as being less expensive and more intuitive. Microsoft has also introduced an advanced version of the program, called Money 98 Professional Suite. It has all the features of the basic product, such as on-line trading, financial planners and instant tracking tools. This facilitates users of financial tools, many of their investment in a whole new on-line.

INTUIT INC. is established as a leader in developing original personal finance content for the desktop, but recent events have shown that the company also has ambitions to become a leading provider of on-line financial services. On Feb. 16, Intuit signed an alliance that will make it the primary source of financial programming for the personal finance and workplace channels on America Online Inc. service.

Over the three-year term of the agreement, Intuit guarantees payment to AOL totaling \$50 million. AOL also is eligible for a share of income generated through the Intuit services. In return, Intuit gains access to a new customer base. An average of 630,000 users access the AOL's Money and Portfolios area of AOL each loading day.

A spokesman for Intuit, in London, says the two products — QuickScan personal finance software and the Intuit financial offerings — are completely separate entities. "Intuit will not receive any money from its investment in AOL's Internet service through advertising sales. It may also get some revenue from product sales generated," he said.

Intuit's biggest competitor, Miti-

ATELY. READERS have to decide whether it is time to sell. And if they are worried. From March 24, a space of just 12 weeks, the industrial average rose 34 percent. Pfizer Inc. is up 28 percent. Co. 3) percent. Fidelity Investments Fund, 29 percent. But is this high, it is bound to fall. A week later, right?

There may be reasons to be pessimistic, but the overvaluation — alleged or actual — is the answer to the right reasons for a tougher question: when is the date was May 28, 1995. The column. "With the market in the past 12 months and high altitude," we asked if it was time to wait — rather than times of stock. Our answer was the Dow Jones Industrial Average dividends included, it was

E-mail address: moneyrep@iht.com

THE
REPORT

Website: www.iht.com/IHT/MONEY

Microchip Meisters
Of Personal Finance

Intuit Still Holds Sway Over Microsoft

By Barbara Wall

FINANCES in a muddle? Unsure about your investment strategy? Dreading your tax returns? Well, Microsoft Corp. and Intuit Inc., the two leading computerized personal finance programs with over 12 million subscribers worldwide, claim to have the solution for all your on-line financial needs. The latest versions of their programs have new money management tools, more on-line banking connections and more embedded Internet browsers to help users get an insight into their finances.

Intuit set the standard for computerized personal finance managers with the launch of Quicken in 1984. Competitors have offered rival programs but none have come close. Quicken's main competitor is Microsoft's Money, which has less than 10 percent of the market. Computer Associates International Inc.'s Simply Money and Managing Your Money by Mecca Software Inc. have an estimated 1 percent of the market. Quicken has the remaining 90 percent of the personal finance software market.

Philip Albinus, a spokesman for New York-based Home Office Computing magazine, suggests that Quicken's position is unassailable. "Money's market share is growing slowly because of its extensive on-line banking connections and the fact that Microsoft is giving the software away free of charge in many instances, but Quicken is still easier to use and has more features than any other package around. Even after the trumpeted launch of Money 98, Microsoft is still playing catch-up," he said.

Money 98 has had a complete makeover to a browser style with frames and one-click links. The design is promoted as being less fussy and more intuitive. Microsoft has also introduced an advanced version of the software program, called Money 98 Financial Suite. It has all the features of the basic product, such as on-line banking, financial planners and investment tracking tools, plus facilities to help users set financial goals, manage their investment portfolios and get on-line.

A major addition to Money 98 is the embedded browser. If you want to

know where to invest your cash, a click on the mouse will give you access to the Microsoft Investor Website, where you can get market updates, business news and share prices. For those who are really serious about investing, an extra \$9.95 per month will give you access to an extensive database of stocks and mutual funds with performance statistics going back several years.

Microsoft has also reformatting the international editions of Money. The early French and British editions of the software program were modeled on the U.S. version with minor modifications. The latest international versions have been designed specifically for their respective markets, which include France, Germany and Britain. A Japanese version of Money is planned for later in the year. A spokesman for Microsoft in London said that product development of the new range has included input from local financial specialists.

Intuit has localized versions of Quicken for the French, British and German markets. Quicken is also available in Brazil, Canada, South Africa and Australia. An Intuit spokesman said localized products are being developed for the Netherlands, Israel and countries in Scandinavia.

Both Money and Quicken can track multi-currency accounts. With Quicken Deluxe, however, you can get currency-rate updates on-line.

Money 98, which costs \$30 for the basic version and \$55 for the Financial Suite, has more new features than Quicken 98, but Microsoft had a lot of ground to make up.

"Money 98 presents a slightly better challenge to Quicken than earlier versions, but it is not going to knock Quicken from the top slot," said Mr. Albinus of Home Office Computing.

Intuit has added some new features to its range of Quicken 98 products. The changes to the standard product, which retails at \$40, are designed to simplify navigation and enable users to "methodically organize their finances. For example, a customizable on-screen net-worth feature enables users to see the state of their finances at a glance, without the need to generate a separate report or graph."

Quicken Deluxe 98, priced at \$60,

Continued on Page 19

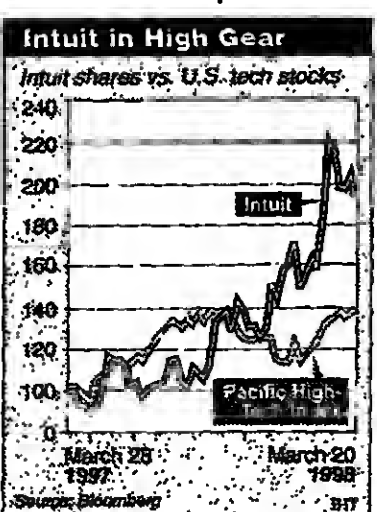
Intuit Seeks Wider Horizons

INTUIT INC. IS established as a leader in developing original personal finance content for the desktop, but recent events have shown that the company also has ambitions to become a leading provider of on-line financial services. On Feb. 16, Intuit signed an alliance that will make it the primary source of financial programming for the personal finance and workplace channels of the America Online Inc. service.

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A spokesman for Intuit in London said the two products — Quicken personal-finance software and the AOL financial offerings — are completely separate entities. "Intuit will make money from its investment in the Internet service through advertising sales. It may also get commissions from product sales. However, all financial advice will be unbiased," he said.

Intuit's biggest competitor, Mi-



crosoft Corp., said it was planning to expand its on-line offerings, but a spokesman stressed that it did not plan to offer financial products on-line.

Philip Albinus of Home Office Computing magazine, said he expected a flurry of agreements between Microsoft and other on-line financial services providers. "It is not inconceivable that Intuit and Microsoft may decide to work together at some point in the future."

On-line Trading ① Minimum deposit requirement ② Average commission fee for electronic trade ③ Specialized services available for foreign citizens ④ 24-hour client support

| Company | Minimum Deposit | Average Commission | Specialized Services | 24-hour Support |
|---|-----------------|--------------------|----------------------|-----------------|
| E*Trade Group (U.S.) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Charles Schwab & Co. (U.S.) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Handerson Chariton Jones Ltd. (Australia) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Fidelity Investments, Web Xpress (U.S.) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Nomura Securities Group (Japan) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Boon Securities (U.K.) Ltd. | \$1,000 cash | \$2.00 per share | Yes | Yes |
| DBS Securities Group (Singapore) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Lotus Securities (U.S.) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Quik & Kelly, Inc. (U.S.) | \$1,000 cash | \$2.00 per share | Yes | Yes |
| Accutrade (U.S.) | \$1,000 cash | \$2.00 per share | Yes | Yes |

The Ins and Outs of Trading Securities On-Line

Virtual Marketplace Is Cheaper, Faster and Global, but Getting Started Takes Determination

By Holly Hubbard Preston

IF THE IDEA of waking up in the morning, booting up your computer and trading stocks with the big boys excites you, then you are in luck — sort of. It is now possible to buy and sell securities, derivatives and currencies from anywhere that has access to the Internet, but it takes patience and determination, especially if you live outside the United States.

Even in America, where on-line trading accounted for 17 percent of all buy and sell orders in the United States last year, according to a study by the Minneapolis brokerage house Piper Jaffray Inc., signing up for an on-line account is not exactly easy. In other countries, whether through an American broker or a local financial institution, the process can be discouraging.

Yet there are good reasons for non-technophobic investors to give on-line trading a whirl. High among them is that commissions are low, reflecting reduced staffing costs and increased activity by investors who switch to computer accounts. Quoted American fees range as low as \$8 per trade, although most international investors will find commissions in the \$20 range more common.

There are dozens of American on-line trading services, but international investors can only access a few of them. Charles Schwab & Co., the San Francisco-based discount broker, for example, has a family of 300 regionally oriented mutual funds designed for international investors outside the United States to buy and sell via its on-line trading service, eSchwab. According to Lisa Nash, Schwab's vice president of international marketing, more than half of the on-line trades that Schwab processes come from outside America.

E*Trade Group Inc., another U.S.-based on-line heavyweight, is setting up brokerage partnerships, either through licensing or joint ventures, that will enable its customers to deal in local securities and to provide access to U.S. equities markets. The company already has an alliance with a brokerage firm in Canada and another in Australia, and it is targeting more than a dozen other markets.

The next step, said Judy Balani, E*Trade's vice president of global marketing and strategic business development, is to develop localized content, including language support, at each of its country-specific on-line trading

sites. E*Trade, as well as Fidelity and Schwab already offer a limited degree of such support.

On-line trading is not an exclusively American province. In Japan, for example, Nomura Securities Co. and Nikko Securities Co. have begun to offer what is called "home trading" for individual domestic investors. There are a number of local securities houses around the globe, such as Discount Direct in Basel, Switzerland, that plan to go on-line in the coming weeks.

The feeling among financial institutions seems to be that sooner or later, Internet trading is going to be an important part of the brokerage business. There are good reasons for its growing popularity with investors, aside from discount prices. Investors can place orders 24 hours a day, and they can see their trades executed in real time. They can do investment research on the Internet.

The brokers themselves are offering information services, such as equity research and access to financial media. These so-called sticky products help keep customers loyal.

Consider Pacific Continental Securities Corp., which is currently testing an on-line trading system that will allow non-U.S. residents and citizens to trade on the Nasdaq exchange for \$29.50 per trade plus 2 cents per share and on the American Stock Exchange for \$39.50 per trade plus 2.5 cents per share. The site is designed to give non-U.S. customers, who can currently order trades by telephone, free and convenient access to dozens of business, financial, and on-line media publications from around the globe.

With all the attractions, you may wonder why on-line trading has not garnered an appreciable share of the international market. There are several discouraging factors, starting with the first step: while the actual trading process is fairly straightforward, getting registered is anything but.

A Canadian investor who recently tried her hand at getting registered found herself "frustrated and humbled by the experience." Although she is a regular Internet user, she was not prepared for a technological challenge presented by when she tried to sign up. The broker required her to download Adobe Acrobat, a graphics program that

would allow her computer to read the registration forms. After hours of trying to download the software and integrate it with her system, she gave up. In the end, she settled on her own bank's on-line trading service that, because of an existing retirement account, waived the minimum deposit.

That is another difficult area. Most services demand a minimum investment in the range of \$1,000 to \$5,000 in their local currency, a requirement likely to give pause to many investors who just want to try out the concept. There are exceptions, however, notably Schwab, which accepts international investors without a minimum although it makes Americans ante up \$2,500. Yet Schwab's website does not make clear that overseas investors can start with any amount.

Would-be on-line investors could also find themselves turned off by the amount of time it takes to activate an account. The Internet may operate in real time, but don't expect the new accounts divisions of most on-line brokerages to. The typical start-up time to get an account rolling is two weeks or more.

Although a growing number of on-line brokers allow most paperwork other than fund transfers to take place on-line, there are still a number who do not. While in many cases you will be able to download the necessary forms to your computer, it likely will have to print them out and mail them to the broker.

Two months ago, a Japanese investor tried to sign up with Charles Schwab's local on-line service. He has yet to make a trade. He has tried to correspond with Schwab via e-mail but, having received only one initial response — a telephone call demanding a bank reference, something that was not initially requested — he has begun calling Schwab's Hong Kong office directly.

The good news is that once you do get signed up, on-line accounts can be easy to use, although accounts are strictly for do-it-yourselfers. There is no broker looking out for your interests.

A growing number of on-line services do allow limit and stop-loss orders, a boon to investors who cannot constantly monitor their portfolios, but sometimes these cost more than trades placed at prevailing market prices. Without the ability to place orders that are executed when stocks move beyond

a specified price, investors could get caught with unfavorable positions during times of market volatility.

A German investor who signed up with E*Trade reported being happy with the service, although he did note that it was not possible to get through to the California-based company during last autumn's stock market plunge. A number of leading U.S.-based on-line brokerage firms were criticized for their inability to handle customer support calls when the Dow Jones industrial average fell more than 7 percent on Oct. 27. Since then, many firms have responded by adding customer support lines.

On-line brokerage services tend to be fairly humble when it comes to admitting their failings. Boom Ltd., a year-old, Hong Kong-based on-line brokerage has asked its customers to "please be patient" as it tries to iron out the wrinkles in its own regionally oriented trading service.

The key to minimizing sign-up headaches is to ask questions and clear up uncertainties before you actually register with a service.

One of the first questions to ask is whether you qualify for a service, based on your citizenship and place of residence. Service offerings and availability can vary dramatically depending on who you are and where you live. For instance, Canada has limits on the amount of foreign securities that a citizen can hold in a registered retirement saving plan. That restriction has led U.S.-based on-line brokers such as Charles Schwab to offer tailored mutual funds to their on-line customers in specific overseas markets.

Not all brokerage firms go that route. American Express Co. unequivocally states that it will not accept customers who do not reside on U.S. soil, and that includes American expatriates. Lombard Discover Brokerage will open on-line accounts for U.S. expatriates from Dubai to Dublin but does not offer services for non-Americans. Charles Schwab accepts non-U.S. customers, including both foreigners and expatriates, but it has different offerings for each.

If you are a customer of the European Federal Credit Bank Ltd., a private bank based in Antigua, the bank has an on-line trading service that allows you to

Continued on Page 19

Don't Bail Out of Stocks Just Because the Market's in the Stratosphere

LATELY, READERS have been asking whether it is time to sell. No wonder they are worried. From Jan. 12 to March 24, a space of just 12 weeks, the Dow Jones industrial average rose 17 percent. For the year, Pfizer Inc. is up 28 percent; Ford Motor Co., 31 percent; Fidelity Select Telecommunications Fund, 29 percent.

Why not simply take a breather? With the market this high, it is bound to fall and you can buy back later, right?

Wrong. There may be reasons occasionally to sell stocks, but the overvaluation of the stock market — alleged or actual — is not one of them. I will get to the right reasons for selling below, but first a tougher question: whether to buy.

The date was May 28, 1995. The place was this very column. "With the market up 20 percent in the past 12 months and acting giddy at such a high altitude," we asked if this might not be a good time to wait — rather than purchase more shares of stock. Our suggestion: Buy.

At the time the Dow stood at 4,369. Since then, with dividends included, it has returned 112 percent.

The purpose of this little vignette is not self-congratulation, but reader education. The answer to the buy-or-wait question is always to buy — as long as you are a long-term investor in stocks. If you are not a long-term investor (minimum seven years), then what are you doing in the stock market in the first place?

The reasons to avoid investing in stocks are multiple and persuasive: Inflation is returning, earnings are coming down, oil is getting more expensive, dividends are too low, etc.

Lined up against these is only a single powerful argument: history. Over time, the value of stocks rises because the underlying businesses increase their profits. Research shows that over the past 72 years, U.S. stocks have returned an annual average of 11 percent. If you had invested \$1,000 in a basket of large-cap stocks in 1926, you would have \$6 million today.

There is another good argument as well: Trying to guess the high point of the stock market is an impossible task. The best investors do not try. Like the great Benjamin Graham, their aim is to find wonderful businesses in which they can become a partner at a decent

price. That's a tough enough task in itself. But small investors are continually tempted to dart in and out of stocks — encouraged, at least in part, by reporting on television and in newspapers that stresses the judgment of analysts about the appropriate level of the market. This is pernicious nonsense.

JAMES GLASSMAN ON INVESTING

As Peter Lynch, former manager of the Fidelity Magellan Fund, put it, "Far more money has been lost by investors preparing for corrections than has been lost in the corrections themselves."

Dalbar Inc., a Boston research firm, has proven this proposition by using its computers to simulate the real-life returns that investors have gleaned over the past 12 years and comparing them with the returns they would have gotten if they had simply stayed in the stock market with a diversified portfolio of mutual funds over the whole period.

Actual investor returns were just one-fourth

of market returns. Why? Because investors sell and buy at the wrong times, rather than simply holding.

Is there ever a time to sell a stock or a mutual fund? As Philip Fisher, one of the greatest investors of all time, wrote in 1958, "If the job has been correctly done when a common stock is purchased, the time to sell it is — almost never."

Note the "almost." There are indeed times to sell. But to know what they are, you have to know why you bought in the first place. Let's take an easy case: Brandywine Mutual Fund. Brandywine is a growth-stock fund run by Foster Friess, a superb stock-picker with an eye for high-technology companies. Every portfolio needs a go-go equity element and Brandywine, for many years, filled the bill.

But last November Brandywine began shifting out of high-tech because Mr. Friess thought stocks were too high. By the end of the year, the fund had just 46 percent of its \$8 billion in assets in stock and 54 percent in cash and commercial paper (short-term loans to corporations). As a result, Brandywine investors have received a

return of 3 percent since the start of 1998, while the market as a whole has returned 14 percent. For the past 12 months, Brandywine has returned a paltry 15 percent, versus 42 percent for the market.

It is not the poor return that is the catalyst to sell. Rather, it's that you bought Brandywine as a growth-stock fund, and it's now a balanced or asset-allocation fund.

This same reasoning should apply to individual stocks. Why did you buy shares in a company? Because it had a unique niche, with low costs and a strong management? Well, if competition suddenly appears, labor costs rise or management changes, then consider selling.

Think of selling if a key product fails. Or if the business becomes the target of new regulations. Or if consumer tastes change and the company doesn't.

Sanford C. Bernstein & Co., Inc., the New York money management and research firm, reminds us that "stock gains tend to come in brief, intense bursts. Miss enough of them and you lose all the advantage of stock investing in the first place."

Quotations supplied by fund groups to Micropal Paris, s: 33-1 40 28 09 09, e-mail: info@micropal.fr

For information on how to list your fund, fax Katy Hourie at (33-1) 41 43 92 12 or E-mail: funds@iht.com
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The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi-monthly); (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly; (p) - twice monthly.

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THE MONEY REPORT

From UGLY to SEXI,
Ticker Symbols Tell Tales

By Judith Rehak

WHAT MAKES ticker symbols tick? In America, some are meant to tickle your funny bone, although meaning to the short letter and number sequences that tell traders which stock is which.

On the London Stock Exchange, for example, little is left to the imagination. Symbols are straightforward, from two to four letters, and match a company's full name as closely as possible, such as SBR for Sainsbury PLC, the supermarket chain. Clever symbols are shunned. "No one goes in for that here," was the firm response of Sarah Bissett, a spokesperson for the exchange.

Things are even more cut and dried on the Tokyo Stock Exchange. Four-digit numbers are assigned by the exchange according to industry categories; for example, companies in the fisheries and forestry field start at 1300, while those in mining are numbered 1400 and up. Although Japanese in the everyday world often avoid the number 4, pronounced *shi*, which means death, and 9, pronounced *ku*, which signifies pain and suffering, the financial world appears to ignore such superstitions. For example, Tokyo Denetsu Co., a handbag retailer, has 9990, an ominous combination.

In Hong Kong, where symbols the situation is less clear. Li Ka-shing has obtained the prestigious 1 symbol for Cheung Kong (Holdings) Ltd., his real estate company. But the tycoon's holding vehicle, Hutchison Whampoa Ltd., is 13, as unlucky a number as exists for Westerners.

In Chinese numerology, 4 is unlucky, but it is assigned to Wharf (Holdings) Ltd., another major real-estate company that does not seem to mind. Yet the lucky

number 8 belongs to Hong Kong Telecommunications Ltd., a company controlled by British Cable & Wireless PLC but one in which the Chinese government has an important minority stake.

In the United States, where symbols vary from one to four letters — a fifth is sometimes added to designate a certain category of stock — some companies are far more creative, sometimes with the assistance from the exchanges.

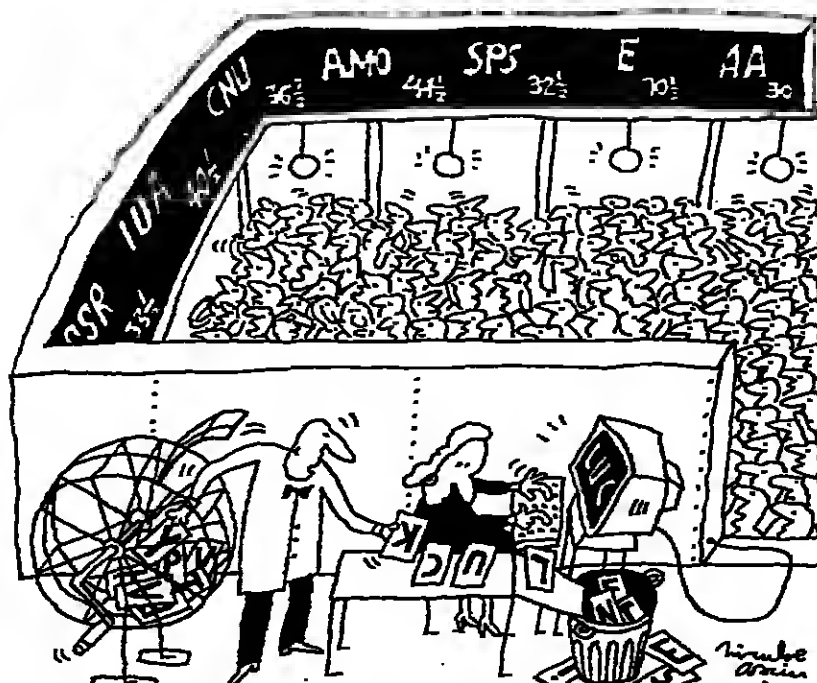
Of course, some opt for the obvious: International Business Machines Corp. is IBM, Philip Morris Cos. uses MO.

Nasdaq stocks must have four or five letters, but those listed on the exchanges can have as few as one, and single letters are sometimes coveted. On the New York Stock Exchange, AT&T Corp. is simply T, as in telephone. Other blue-chip behemoths are G for Gillette Co. and C for Chrysler Corp.

Other companies, however, clearly delight in symbols that convey messages. Consider SLOT for Anchor Gaming, which makes the wildly successful Wheel of Gold slot machines and runs casinos; or First Cash Inc., a fairly anonymous name until you see its symbol, PAWN. (Yes, it owns and operates pawnshops.) Similarly, if more obviously, AMF Bowling Inc. goes by PIN.

Closed-end mutual funds also have trading symbols. Most are pedestrian, but a few show the unmistakable hand of a marketer. GRR designates the closed-end Asia Tigers Fund Inc. Last year, the only growls would have come from shareholders, whose total return on the shares was a negative 31 percent. So far this year, however, the shares have recovered more than 10 percent.

Philip Pauze, a Houston money manager, is waiting impatiently for the day when his \$5 million Pauze Tombstone Fund, an open-ended fund that invests in companies such as casket makers and



funeral homes, reaches \$10 million in assets. "You have to have that to get a symbol," he said. Meanwhile, he is delighted with RIP, the symbol for his Pauze Tombstone Common Stock Index, the brain child of marketers at the American Stock Exchange, where it is listed.

Can a 100-clever stock symbol be a warning about a company's performance? Consider Systems of Excellence Inc., which gained notoriety not only for its symbol — SEXI — but as one of the biggest securities frauds of recent years. The chairman is currently serving a 46-month prison term, after being convicted of a pump-and-dump scheme, in which a stock is illegally touted, driving up the price, while insiders sell their holdings.

One wonders if other companies regret their choice of a symbol, especially those whose fortunes have temporarily turned sour. Ugly Duckling Corp., a Phoenix used-car dealership which also lends to borrowers with poor credit re-

ports settled for UGLY when it listed on Nasdaq in 1996. (DUCK, its first choice, was already taken by Duckwall-ALCO Stores Inc., a retailer.) But recently, the high-risk lending industry has suffered, and Ugly's shares have been hammered. Last week, they were trading near \$10, less than half their record.

Some stock symbols seem to be purely for fun. Take, for example, YUM, the delectable symbol for Tricon Global Restaurants Inc. Tricon is the recent spin-off from PepsiCo that owns Kentucky Fried Chicken, Taco Bell and Pizza Hut.

"That's one way to slice it," quipped Mitchell Speiser, who follows YUM for Lehman Brothers in New York. On a serious note, he has lowered his rating on Tricon to hold from buy because of concern over costs of merging the three companies. In the longer term, the company still has a lot going for it, he said. "They have the three leading brands in their categories, and they're the second-highest international food company after McDonald's."

Restaurants, he observed, are among the highest fans of "cute" symbols. "Look at Schlitz's (BUNZ), which makes sandwiches, and Brinker International (EAT) which runs Chili's Bar and Grills," he said.

Occasionally even a staid industrial issuer gets carried away. Olympic Steel Inc., a Cleveland company that takes 80,000-pound (36,000-kilogram) steel coils and shapes them for end users, took a cue from its name and chose ZEUS, the supreme Greek deity, for its symbol. The stock faltered in 1997 but its earnings are again scaling Olympian heights. Mark Parr of McDonald & Co. is one of several analysts rating Olympic a "buy," projecting earnings per share of \$1.20 for this year, compared with 83 cents last year.

BRIEFCASE

Hot Stock Prospects
South of the Border

Things are heating up in Mexico, according to Ron Chapman, the head of international equities at Dreyfus Corp., and he is not talking about the weather.

Dreyfus has about 3 percent of the \$400 million in its international portfolios invested in Mexico, but so far, Mr. Chapman said, "It is a position that has not worked." Yet after reassessing the outlook, he said, "We are confident that it is going to work." By work, he means Mexican equity prices could rise 20 percent to 40 percent in the coming months.

Mr. Chapman said that trade concerns had been making investors wary of Mexico, and thanks to the recent oil producer pact to try to curb output, these worries would fade. "Mexico's problem has been the current account and what is behind the current account is oil."

Oil prices do not have to rise from current levels to make Mr. Chapman happy; it is sufficient that the threat of further declines be removed. The country's stocks are trading at about 12 times prospective 1998 earnings per share, he said, and the dissipation of trade concerns could raise that multiple as high as 16.

With that outlook, he said individual stock picking was not as important as being in the market, but he identified Grupo Carso SA as one of his core holdings, calling the conglomerate "the best-run company in Mexico."

Elsewhere, Mr. Chapman is betting on a pop in the yen's value, and Dreyfus has about 20 percent of its international holdings in the country. He said that even though international investors have not been swayed by the details emerging from the country's latest economic package, he expects it to help the economy in the short run.

"Foreign investors are appropriately cynical about the market but we think the locals will take the market higher," he said, predicting the Nikkei Stock Average could rise about 15 percent from its current level. Additionally, he said the yen is oversold at its current value; the dollar buys about 130 yen. Over the coming four to six weeks, he said he sees a short-term strengthening in the Japanese currency combined with a rise in the stock market making for an investment opportunity.

Mr. Chapman likes the Japanese banking industry, in particular Sanwa Bank, which he said was among the best-managed. Dreyfus also holds Bank of Tokyo-Mitsubishi, he said.

With the government anxious to pump up the economy, Mr. Chapman said he liked Okumura Corp., a construction company that is "dull but strongly financed." The company has plenty of money in the bank, he said. "The prospects of doing anything with

the cash are virtually nil, but it gives you a lot of comfort."

On top of that, he said the spending package due to be announced Wednesday "will almost certainly involve some roads to mountains, and that's what Okumura does."

With a longer-term perspective, Mr. Chapman likes the Continental markets, based on the restructuring of their economies. His picks there, however, tend not to be among the industrial behemoths of yesteryear but newer, more entrepreneurial companies that have emerged from privatizations, spin-offs and initial public offerings.

One sector he is keen on is airport operators and similar companies, especially Aldeasa SA of Spain and Aeroporti di Roma SPA. Another favorite was Unique International NV of the Netherlands, which runs technical trade schools among its four business sectors and thus stands to benefit from retraining workers whose old jobs are disappearing. (The company also runs employment agencies, retail clothing stores and a surveying division.) (IHT)

New Funds for Investors
Who Want Sector Plays

Rydex Series Trust, whose arsenal of 8 index-based funds has become increasingly popular with market-timing and other investors, is introducing 14 no-load sector funds.

These funds typically invest in small slices of the market, say a particular industry or other stock group. Rydex, based in Rockville, Maryland, is offering funds covering banking, basic materials, biotechnology, consumer products, electronics, energy, energy services, financial services, health care, leisure, retailing, technology, telecommunications and transportation. The subscription period for shares is expected to close on Wednesday.

The new funds will give Rydex one of the largest selections of sector funds. Only Fidelity Investments, with a smorgasbord of 38 load funds, offers more.

Other companies offer a few sector funds, but they generally impose penalties on investors who trade quickly to encourage long-term investing. By contrast, the new Rydex funds offer unlimited trading.

Rydex said the stocks in its funds' portfolios were chosen for their liquidity, market capitalization and correlation to the industry or sector. The funds, which levy annual expenses of 1.5 percent, will be fully invested at all times.

A \$15,000 minimum applies to investors who work through investment advisers; it is \$25,000 for investors who buy directly from the company. (NYT)

FOR FURTHER INFORMATION call Rydex at 1 800 468 8530, or, toll-free in the United States, 1 800 820 0888.

Ins and Outs of Trading Securities On-Line

Continued from Page 17

buy and sell securities and foreign currencies from markets around the world. The securities, in turn, will be held on your behalf by the bank rather than forwarded to you.

Non-U.S. citizens who are interested in trading through on-line brokerage firms based in America should be prepared to provide passport numbers or some form of international identification and to make their payments in dollars. All of the brokers should require you to fill out a W-8 tax form. Under U.S. tax law, domestic brokerage firms that sell securities to non-U.S. residents are required to withhold approximately 30 percent of gains. By completing the W-8 form, a non-U.S. resident, as opposed to the brokerage, assumes responsibility for reporting and payment.

Also be aware that on-line brokerages often offer a handful of different account levels

for customers to choose from, the lowest being cash-only, without permission for margin loans or derivatives trading. On-line brokers do not always spell out the qualification criteria for the different accounts. This is where it could make sense to either e-mail or call the customer support department of the on-line brokerage to find out how your net worth, portfolio size, and previous authorizations for margin and derivatives trading could work to your benefit in terms of reducing commissions and minimum account balances.

Another important distinction is a day-trading account. Without one, you will only be allowed one round of trading in any security each day; this means you can either buy a stock and then sell it, or if the stock is already owned, it can be sold and bought back. Another key point to consider when selecting an on-line brokerage: Are the trades really executed on-line, or are

they manually transmitted? The real efficiency, said E*Trade's Ms. Balant comes when orders can be placed, processed and returned to your account electronically. Does it really matter? It could if a stock price is moving rapidly and seconds count.

Depending on where you live, those low commissions may not be so low. Some countries have minimum brokerage fees. There also are a few instances where on-line brokerage firms charge non-residents and noncitizens higher commissions than their regular domestic customers.

The next step will be to actually get yourself on-line. A few services require their own software, but most are based on the World Wide Web browsers Microsoft Explorer and Netscape Navigator.

By choosing one of these browsers, you will also be assured of secure trading. The U.S. standard of encryption is 128 bit, but even the 40-bit level that is currently standard in Europe is sufficient to protect investors, according

to Pete Ricketts, president of Accutrade.

A final note of caution: Unless you are in some remote location where Internet access is unavailable or highly restricted, on-line veterans say to avoid direct dial-up access to on-line services. Dial-up access is not only expensive, particularly if you are accessing a service outside your home market, but often requires the loading of additional software onto your computer system.

If this process seems to be daunting, rest assured that it will only get easier. Brokers and banks are facing tremendous competitive pressure to offer solid, easy-to-use on-line trading services.

Major international on-line brokers with widely available services are listed on Page 17. Other companies mentioned in this article include:

• DISCOUNT DIRECT, Webster, www.discountdirect.com Telephone: 41 844 801 007.
• PACIFIC CONTINENTAL SECURITIES CORP., Webster, www.pacificcontinental.com Telephone: 1 213 653 1212.
• PACIFIC DAY TRADING INC., Webster, www.day-trading.com Telephone: 1 408 557 8000.

Personal Finance
On a Home PC

Continued from Page 17

also has an embedded internet browser that connects subscribers to Quicken's Web site, where dedicated investors can monitor their portfolios and download data about stocks and funds at no extra cost.

If you are deciding on a software program and you want to bank on-line, you will need to check out the on-line bank connections. Most major institutions work with Quicken and Money, but some local banks only work with one program.

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• MANAGING YOUR MONEY by Mace Software Inc.: Telephone 1 201 268 2727, toll-free in the United States, 800 537 9992
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WORLD ROUNDUP

Brake Protest Can't Slow McLaren Cars

FORMULA ONE Mika Hakkinen and David Coulthard, driving McLarens, recorded the fastest times Friday in practice for the Brazilian Grand Prix in Sao Paulo, even with their new braking systems switched off.

The McLaren, Williams and Jordan teams have introduced a "brake steer" system alongside their normal brakes.

All three teams disabled the rear-wheel braking systems Friday following protests by other teams, including Ferrari.

Stewards said they were investigating the protests.

"The system is within the spirit of Formula One," said Ron Dennis, the McLaren designer.

Dennis suggested that the Ferrari team had protested to try and find out how the system works. He also accused a rival team — later revealed to be Ferrari — of attempted espionage at the Australian Grand Prix in Melbourne, where McLaren says it caught a photographer trying to take pictures in its garage.

(AP, AFP, Reuters)

Jamison Wins Award

BASKETBALL Autawn Jamison of North Carolina was named The Associated Press's college basketball player of the year. The 6-foot-9 junior forward received 110 votes in the nationwide balloting, far ahead of Raef LaFrentz, the senior All-America center, who had 35.

Trajan Langdon, a junior guard at Duke, was third with 15 votes.

Tom Izzo of Michigan State was voted college coach of the year. Chamique Holdstock of Tennessee was named women's player of the year. The Tennessee coach, Pat Summitt, was named women's coach of the year.

Robert Traylor, a center at Michigan, plans to forgo his senior season to enter the NBA draft. The Ann Arbor News reported, Traylor averaged 16.2 points and 10.1 rebounds this season.

(AP)

Wagh Hits Century

CRICKET Mark Wagh scored a 153 not out Friday as Australia made 400 all out in its first innings in the third test against India in Bangalore. Shane Warne, the Australian spinner, took two wickets as India reached 99 for three wickets in its second innings at the close to a lead by 123 runs.

(Reuters)

Blatter Adds His Name to Race for Top FIFA Post

Reuters

ZURICH — Sepp Blatter, general secretary of FIFA, ended months of speculation on Friday when he formally declared his candidacy for president of the world soccer federation.

Blatter declined to say which national soccer association would endorse him, but it is believed that those of Trinidad and Tobago, the United States and Australia are prepared to nominate him.

FIFA said the details of his nomination would be released Monday at a news conference in Paris.

Blatter officially notified Joao Havelange, the current FIFA president, of his intention on Friday.

"FIFA is a democracy and we now have two candidates, and perhaps a third," said Havelange, who is stepping down in June after serving for 24 years.

Lennart Johansson, president of European soccer's governing body, UEFA, has declared his candidacy.

Havelange has been campaigning for Blatter, but he was more neutral on Friday.

"We have two men, two qualities, two records, two administrations," he said. "We cannot be prejudiced in favor of any one candidate."

ENGLAND Premier League clubs rejected a proposal from BSkyB, the satellite broadcaster owned by Rupert Murdoch, to introduce pay-per-view coverage of matches next season, Mike Lee, a league spokesman, said Friday.

"There was a specific proposal put forward by BSkyB, but the club chairmen felt more background information and more research was needed," he said.

Lucrative deals with BSkyB have helped to transform the finances of English soccer. The clubs do not oppose the pay-per-view principle, but could not agree a division of revenue with BSkyB and among themselves. Some of the smaller Premier League clubs fear the move could widen the gap between the richest clubs and the rest.

The Italian police on Friday suspended local ticket sales for next week's European Cup Winners Cup game between Vicenza and Chelsea, fearing that the tickets could fall into the hands of disruptive English fans.

About 500 Vicenza fans lined up early Friday morning for tickets, but when the ticket office opened it was to announce only that the police had banned sales. Alcohol will be banned in all bars and restaurants in Vicenza, a city of 100,000, on the day of the match.



Alex Corretja preparing a return in the Florida quarterfinal in which he defeated Steve Campbell, 6-3, 6-1.

Venus Williams Eclipses Hingis

By Robin Finn
New York Times Service

KEY BISCAYNE, Florida — The 2,000 beads framed her joyful face like a white plastic halo. The fists were in the air with index fingers raised like punctuation marks. The legs performed a modified, modernized hustle step.

This was the unsavory way that Venus Williams, who uses Muhammad Ali as a role model for championship behavior, chose to celebrate Thursday after mowing down the undisputed champion of women's tennis, Martina Hingis, at the Lipton Championships.

"I haven't arrived yet," Williams cautioned after eliminating the defending champion, 6-2, 5-7, 6-2, in a hour 58 minutes. "I'm just coming, I'm on my way up."

"Every time I lose, it's a bad loss," said Hingis, after her loss to the fellow 17-year-old whose designs on the ranking have been a matter of public record, and fodder for public spats, since last year. "Everybody's trying to beat me, and if they beat me, they know they can win the whole thing. I always wanted to beat the No. 1. Before, I was the hunter, and now I'm the hunted one."

If nothing else, this wind-wracked event has shown that no No. 1 — neither Pete Sampras nor Hingis — is invulnerable to a hard-working, hard-hitting challenger. Sampras, whose confidence was in tatters after his third-round exit, must kiss his No. 1 world ranking good-

bye if Marcelo Rios wins the men's final Sunday.

Hingis's ranking is safe for a while, but her self-confidence is at risk. That was clear in her tentative play during her loss to the motivated Williams.

For Hingis, who became history's youngest No. 1 player at this event last year, the defeat was her third in 1998 — two of them were to Williams.

"She beat me now, she beat me in Sydney," said Hingis, who lost to Williams in that year-opening match in Australia. "She's got much more confidence. She controls the game a little better now than she did at the beginning, and she got smarter. She doesn't just try to hit every ball as hard as she can; she tries to mix it up, and that makes her a better player out there."

In Sydney, Hingis could explain away the loss to Williams, a player she had trounced in their U.S. Open final last September, by saying she was not quite fit following her winter holidays.

On Thursday, she said she was fatigued, with some of it attributable to the tense quarterfinal confrontation she had two days earlier with 16-year-old Serena Williams, Venus's younger sister.

"I guess it's pretty difficult to play the Williams family two matches in a row," said Hingis, who saved three match points Thursday, breaking Venus Williams as she served for the match at 5-3 of the second set. But when Williams hurtled off to a 4-0 start in the final set, Hingis failed to play catch-up.

Williams, who will climb to 10th in the world next week, was not so bold as to imply that she already has Hingis's number, but she has never been shy in predicting that Hingis, and the No. 1 ranking, would belong to her someday.

"I don't have the same ranking she has," said Williams, who converted her fourth match point by ripping a forehand down the line and off the edge of Hingis's outstretched racket. "But I believe I'm progressing."

In other matches Thursday, Reuters reported:

Anna Kournikova beat Arantxa Sanchez Vicario to set up a final of teen sensations. Kournikova beat the eighth-seeded Spaniard, 3-6, 6-1, 6-3, to reach her first career final on the WTA Tour.

The 25th-ranked 16-year-old became the first player — male or female — to beat top 10 players in four consecutive matches, and she did it in four days.

She earlier defeated Monica Seles, ranked No. 4, Conchita Martinez, No. 9, and Lindsay Davenport, No. 2.

In men's play, three-time Lipton champion Andre Agassi and Alex Corretja, seeded No. 8, posted straight sets victories to set up a semifinal meeting.

Agassi raised his record against compatriot Jeff Tarango to 7-0 with a 6-4, 6-3 quarterfinal victory.

Corretja ended the run of the American qualifier Steve Campbell, 6-3, 6-1. The other men's semifinal pits 20th-ranked Tim Henman, a Briton, against Rios, the third seed.

Pesky Devils From Jersey Frustrate Colorado

The Associated Press

The New Jersey Devils are never any fun to play. Add the Colorado Avalanche to the teams who hate to face them.

"The Devils are one of the best teams in the NHL, at frustrating other teams," said Marc Crawford, the Colorado coach, after the Devils beat his team, 2-0, Thursday in Denver.

The Devils' gritty defense decided a battle of division leaders. Martin Brodeur, the Devils' goalie, made 23 saves for his ninth shutout of the season and the 31st of his career.

Petr Sykora and Denis Pederson both scored power-play goals in the second

period as the Devils ended a two-game road losing streak.

Maple Leafs 1, Stars 0 In Dallas, Felix Potvin stopped 26 shots for his fifth shutout, and Sergei Berezin scored the game's only goal as Toronto ended a five-game losing streak.

Sabres 5, Canucks 2 In Vancouver, Mike Peca scored twice, including the go-ahead goal, as Buffalo scored five third-period goals on five consecutive shots in a fight-filled game.

Braves 4, Flyers 2 Boston's top checking line of Per Johan Axelsson, Rob DiMaio and Mike Sullivan scored three goals in the first 10 minutes as the host Bruins beat Philadelphia.

Islanders 4, Penguins 3 In New York, Bryan Smolinski's power-play goal with 64 seconds left in the second period broke a tie as the Islanders beat Pittsburgh.

Panthers 5, Canadiens 4 Bill Lindsay scored two goals, including the game-winning, as host Florida beat Montreal to snap a 13-game losing streak.

Mighty Ducks 3, Red Wings 3 In Detroit, J.F. Jomphe's first goal of the season helped Anaheim extend its unbeaten streak to five games.

Murricanes 4, Rangers 1 Martin Gelnas and Keith Primeau scored in a 43-second span of the second period as Carolina beat visiting New York.

Flames 3, Capitals 2 In Calgary, Jason Wiemer scored the winning goal against Washington in his debut.

Blues 3, Lightning 2 Brett Hull scored twice to lead host St. Louis over Tampa Bay. The victory snapped a four-game losing streak for the Blues.

Sharks 5, Kings 2 Jeff Friesen and Tony Granato triggered a four-goal first period, with power-play goals as San Jose ended a four-game losing streak in Los Angeles.

SCOREBOARD

BASKETBALL

NBA STANDINGS

| Team | W | L | Pct | GB |
|--------------------|----|----|------|------|
| Eastern Conference | | | | |
| Atlanta | 49 | 21 | .700 | — |
| New York | 39 | 31 | .557 | 10 |
| Orlando | 36 | 34 | .514 | 12 |
| Washington | 36 | 34 | .514 | 13 |
| Cleveland | 35 | 35 | .500 | 14 |
| Charlotte | 30 | 39 | .435 | 19.5 |
| Philadelphia | 25 | 44 | .362 | 25 |
| Central Conference | | | | |
| Utah | 51 | 17 | .750 | — |
| Indiana | 48 | 21 | .696 | 4 |
| Charlotte | 45 | 24 | .652 | 7 |
| Atlanta | 41 | 28 | .591 | 11 |
| Cleveland | 38 | 31 | .551 | 14 |
| Detroit | 34 | 36 | .486 | 19 |
| Milwaukee | 30 | 39 | .435 | 23 |
| Toronto | 15 | 54 | .217 | 37 |
| Western Conference | | | | |
| Los Angeles | 51 | 17 | .750 | — |
| San Antonio | 47 | 21 | .690 | 4 |
| Phoenix | 46 | 22 | .676 | 5 |
| Memphis | 36 | 34 | .514 | 12 |
| Dallas | 36 | 34 | .514 | 13 |
| Vancouver | 16 | 53 | .232 | 35 |
| Denver | 8 | 63 | .113 | 49 |
| Pacific Conference | | | | |
| Seattle | 52 | 16 | .763 | — |
| L.A. Lakers | 50 | 19 | .725 | 1 |
| Phoenix | 46 | 22 | .676 | 5 |
| Portland | 38 | 31 | .551 | 12 |

EUROLEAGUE

QUARTERFINALS

Series 1-1, Third match April 2 in Belgrade.

| |
|--------------------------------------|
| CSKA Moscow 77, Partizan Belgrade 52 |
|--------------------------------------|

ICE HOCKEY

NHL STANDINGS EASTERN CONFERENCE

| Team | W | L | T | Pts | GF | GA |
|--------------------|----|----|----|-----|-----|-----|
| Atlantic Division | | | | | | |
| New Jersey | 44 | 10 | 9 | 97 | 199 | 127 |
| Philadelphia | 36 | 23 | 11 | 83 | 206 | 166 |
| Pittsburgh | 32 | 28 | 11 | 75 | 187 | 182 |
| Washington | 22 | 37 | 11 | 55 | 179 | 224 |
| N.Y. Rangers | 24 | 30 | 10 | 58 | 182 | 200 |
| Florida | 19 | 39 | 10 | 50 | 167 | 223 |
| Tampa Bay | 16 | 45 | 9 | 41 | 137 | 220 |
| Northwest Division | | | | | | |
| Pittsburgh | 36 | 25 | 11 | 83 | 199 | 166 |
| Boston | 32 | 28 | 11 | 75 | 187 | 182 |
| Montreal | 22 | 37 | 11 | 55 | 179 | 224 |
| Buffalo | 20 | 35 | 15 | 55 | 180 | 181 |
| Ottawa | 22 | 37 | 11 | 55 | 179 | 224 |
| Carolina | 28 | 24 | 7 | 63 | 170 | 188 |
| Western Conference | | | | | | |
| Colorado | 42 | 17 | 11 | 95 | 210 | 138 |
| Dallas | 38 | 19 | 15 | 91 | 219 | 174 |
| St. Louis | 37 | 20 | 13 | 87 | 208 | 170 |
| Chicago | 29 | 32 | 16 | 74 | 172 | 173 |
| Phoenix | 28 | 31 | 12 | 68 | 193 | 199 |
| Toronto | 25 | 37 | 15 | 59 | 161 | 202 |
| Pacific Division | | | | | | |
| Colorado | 34 | 20 | 16 | 80 | 209 | 177 |
| Los Angeles | 33 | 26 | 11 | 77 | 203 | 167 |
| Edmonton | 28 | 34 | 10 | 66 | 183 | 201 |
| San Jose | 26 | 36 | 7 | 62 | 173 | 190 |
| Calgary | 23 | 39 | 13 | 59 | 168 | 213 |
| Vancouver | 22 | 38 | 13 | 57 | 201 | 250 |

CRICKET

SOUTH AFRICA VS. SRI LANKA

SECOND TEST, FIRST DAY
PROTEST IN COVENTRY, SOUTH AFRICA
Sri Lanka: 145 for three

INDIA VS. AUSTRALIA

THIRD AND FINAL TEST, DAY 1
PROTEST IN BANGALORE, INDIA
India: 424 and 99-3
Australia: 400

RUGBY UNION

SUPER 12

Cardiff 24, Auckland 31

SOCCER

LIBERTADORES CUP

FIRST ROUND, GROUP TWO
Vasco da Gama 3, Grêmio 0

CONCACAF CHAMPIONS CUP

Quarterfinals, Mexico 3, Costa Rica 0

CONCACAF CHAMPIONS CUP

Quarterfinals, Mexico 3, Costa Rica 0

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CONCACAF CHAMPIONS CUP

Quarterfinals, Mexico 3, Costa Rica 0

BASEBALL

EXHIBITION BASEBALL

THURSDAY RESULTS
Toronto 4, Syracuse 3
Boston 5, Milwaukee 2, 11 innings
N.Y. Yankees 5, Tampa Bay 3, 10 innings
Cincinnati 2, Texas 0
Detroit 1, Detroit 1
Baltimore 4, Florida 4
Philadelphia 4, Pittsburgh 3
Atlanta 3, N.Y. Mets 3, 12 innings
Seattle 4, San Diego 4
Arizona 5, Chicago White Sox, cond. rain
Oakland 5, San Francisco, cond. rain
Colorado 5, Chicago Cubs 5, 10 1/2 in. rain
Kansas City 9, Cleveland 2

CRICKET

SOUTH AFRICA VS. SRI LANKA

SECOND TEST, FIRST DAY
PROTEST IN COVENTRY, SOUTH AFRICA
Sri Lanka: 145 for three

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THIRD AND FINAL TEST, DAY 1
PROTEST IN BANGALORE, INDIA
India: 424 and 99-3
Australia: 400

RUGBY UNION

SUPER 12

Cardiff 24, Auckland 31

SOCCER

LIBERTADORES CUP

FIRST ROUND, GROUP TWO
Vasco da Gama 3, Grêmio 0

CONCACAF CHAMPIONS CUP

Quarterfinals, Mexico 3, Costa Rica 0

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CONCACAF CHAMPIONS CUP

Quarterfinals, Mexico 3, Costa Rica 0

CONCACAF CHAMPIONS CUP</

SPORTS

Cubs Face a Summer Without Santa

International Herald Tribune

MIAMI — Another baseball season starts Tuesday, and no one will be able to replace Harry Caray. No one will try.

Caray (rhymes with Harry) was the Santa Claus of summer. As the play-by-play announcer for the Chicago Cubs, he would visit potentially millions of homes almost daily from April through September. The Cubs play 162 games a year, generally losing most of them, but Harry was able to cure audiences of their despair simply by looking at the camera.

He had a thick pair of lips that he could fasten around a bottle of beer like an o-ring. His tiny eyes were framed by thick glasses with huge square lenses designed to enhance vision in the early hours of the morning. He had a staggering drawl of a voice. For his postgame summation, the microphone he was trying to hold would move back and forth below his chin teasingly like a martini shaker.

Harry collapsed in a restaurant last month and died several days later in a hospital in Southern California. It turned out that he was 84, or six years older than the age he had given his employer.

He was orphaned at the age of 9. For 25 years after World War II, he announced the games of the St. Louis Cardinals on the radio. At that time he was the best announcer in the game, quick-witted and knowledgeable, as well as being an authentic rascal.

But then many of his colleagues were rascals, too. In the early days of radio, even before Harry came along, announcers would sit in a windowless room miles away from the ballpark and announce the game as if it were right there in front of them, their narrative based on the pitch-by-pitch reports fed to them by a ticker. They would rap a pencil against the table to recreate the bat striking the

In America/IAN THOMSEN

ball. Ronald Reagan did this kind of work for a while, and never really quit doing it, some would say.

In 1968, when Harry was working in St. Louis, he was struck down by a car. The accident almost killed him. Months went by before he made his first public appearance, hobbling onto the diamond before a Cardinals game. He tossed aside one crutch and the applause turned into cheers. He threw down the other crutch and it sounded like a World Series crowd. Harry admitted later that he had been walking without those crutches for weeks.

Harry lost that job supposedly because he became more than friends with a daughter-in-law of the Busch family, the beer moguls who seemed to own everything in St. Louis, including the Cardinals.

In the 1970s, he landed in Chicago, announcing White Sox games. Harry was never better at his job than when he was working for Bill Veeck, the eccentric owner of the White Sox. Previously, Veeck (rhymes with wreck, as he ooted in the title of his autobiography) owned the St. Louis Browns, for whom he famously enlisted a midge, Eddie Gaedel, to pinch-hit in 1951.

The White Sox had been (and to this day remain) the secondary baseball team in Chicago ever since White Sox players fixed the 1919 World Series. In Veeck's refurbished bleachers at Comiskey Park on the South Side of Chicago, you could take a shower, have your hair cut and sit near Harry Caray, who on Saturday afternoons would broadcast games there in the outfield, shirtless, while his drunken audience cheered. He drank many, many beers.

I was attending college in Chicago at

the time, and to this day I have never heard a nastier, more honest or more entertaining sports announcer. Tony LaRussa was the manager of the White Sox in those days and Caray ran him out of town with the help of Jimmy Piersall, his color commentator. Piersall, who as a player for the Boston Red Sox suffered a nervous breakdown, was once portrayed by Anthony Perkins in the movie, "Fear Strikes Out."

"Jimmy," Harry would interrupt his colleague to say, "you're still crazy."

To be honest, Harry sold out a few years later when he moved to Chicago's North Side to announce for the Cubs. He was not nearly as critical of the Cubs as he could have been. Basically, he became the adorable mascot of a hopeless, hapless and harmless team.

He would sit in the announcers' box high above home plate with his fishing net, which he used for scooping foul balls out of the air. During the seventh-inning stretch, he would lead the Wrigley Field crowds in singing "Take Me Out to the Ballgame," a tune that doesn't hold much water anymore unless sung by an old-timer like Harry.

The Cubs are going to miss Harry desperately. He made losing palatable. The team might find now that the fans are less forgiving than they used to be. These days, clubs prefer their announcers to be uncontroverted, uncritical. Such plain voices remind audiences that the game is a business. The players are making millions of dollars—and so, too, was Harry. But when he had trouble pronouncing a player's name, as he often did, he sounded like someone from the days of radio.

Ian Thomsen is a senior writer for Sports Illustrated magazine.



GOPHER THE HOOP! — Sam Jacobson of Minnesota flying past Carl Jackson of Penn State in the NIT Final in Madison Square Garden on Thursday. Jacobson scored 23 points as the Golden Gophers won, 79-72.

Gambling: A Shadow Creeps Over Final Four

By Jack Curry
New York Times Service

SAN ANTONIO — The hysteria of the Final Four has shifted to discussions about fixing games after two former Northwestern basketball players were indicted on gambling charges.

One college coach almost dropped the phone Thursday when he was told, another said he felt nauseated and another called college gambling a time bomb. So all the fancy welcoming banners, shiny pins and souvenirs could not obscure a problem that has plagued college athletics for at least half a century — a problem that stole some attention from college basketball's marquee event.

Kevin O'Neill, who just finished his first season as coach of Northwestern, said he did not know the school was being investigated before he accepted the job, but he added that he would have taken it anyway.

"I think it's tragic any time this happens because the young people get involved in things they can't handle," he said. "That's the worst part of it."

Cedric Dempsey, the executive director of the National Collegiate Athletic Association, wanted to talk about a thrilling tournament that has already featured 17 games decided by three points or fewer.

Instead, Dempsey discussed the possibility of enforcing a zero-tolerance policy for future gambling violations. He talked about adding to the one person who handles gambling issues for the NCAA and about how, for the first time, players competing in the Final Four will be addressed by the FBI. The meetings had been planned before the Northwestern indictments were disclosed.

"I think illegal sports wagering is probably the most critical issue we have in intercollegiate athletics today," he said. "It cuts at the fiber of what competition is about."

Bill Saum, the NCAA representative who deals with gambling, held up a postcard with "Don't Bet On It" printed on the front and telephone numbers for him and FBI agents on the back. They will be given to players on North Carolina, Stanford, Utah and Kentucky in case they have concerns this weekend.

"I do believe what we can do is educate student-athletes on this issue not being a victimless crime," Saum said. "It's not the new recreation of the '90s. There are victims. There are serious consequences in becoming involved in this activity."

Dempsey said that studies had shown that college students spend more on gambling than alcohol and that the FBI had told him that \$80 billion to \$120 billion is bet illegally each year, compared with \$2 billion wagered legally. The NCAA now has a computer to monitor changes in betting lines since as much as \$4.5 billion is bet on this tournament.

While Dempsey said he was uncertain if the timing of the arrests was coincidental, one official from the Big Ten said he was told the announcement was made two days away from the Final Four for the maximum impact.

"We intend to use this as an educational tool," Saum said. "It's a wake-up call for all of college athletics."

Stillness, Magic and a Fine 'Old Dame'

By William Gildea
Washington Post Service

GREENSBORO, North Carolina — It seemed like a day from the distant past. Traffic was stopped on North Dudley Street, cars had their engines off, people were leaning in the open windows on the driver's side talking to one another, the sun was up and the heat was beating down. A long, slow freight train crept across the street as the red lights blinked at the crossing gate. The World War Memorial Stadium was on the other side of the tracks.

This is not just any minor-league ballpark. It is allegedly the oldest ballpark in America where the national pastime is still played professionally. It sits in a gully next to a creek, built in 1926 and hoovering those who died in World War I. The concrete structure, which will challenge a wrecking ball someday, is shaped like a reverse J.

A long stretch of stands extends in a straight line out to left field from home plate, with the remaining fishhook of seats curved around behind the plate to just beyond first base. The seats stop there because that is where the creek flows. The water runs beneath right field and emerges beyond the right-center-field fence. Above right field are three power lines. If a ball hits a wire and lands in fair ground, it is in play.

"It's the same concept as a ball that hits a speaker in a domed stadium," said John Frey, general manager of the park's Greensboro Bats, the Class A South Atlantic League affiliate of the New York Yankees.

Nearby Durham has a sparkling new park, which has enabled the Durham Bulls to vault from the Carolina League to the Class AAA International League this season.

"I went over to Durham with a couple of friends last season," Frey said, "and somebody said, 'Now what don't you like about this place?' We looked around and the answer was nothing."

The new structure replaced the beloved Durham Athletic Park, the DAP, where the movie "Bull Durham" was filmed. Old park or new, any minor-league game is bound to bring happiness; 56 in Greensboro buys a seat in the first row behind home plate.

But there is something magical about the last old parks, still standing in Greensboro and Chattanooga, Tennessee, and Davenport, Iowa, flush against the Mississippi River, and other places to be happened upon when driving somewhere in the summertime. Maybe it's just the notion of the actress Susan Sarandon, as Annie, walking over the crest of the hill in the opening evening scene of "Bull Durham," and suddenly there ahead of her is the park with its lights somehow blazing as they over really do at a night game.

Greensboro has that feeling. It is a place where you can sit still under a few sections covered by an old slanting roof and imagine a ball from Don Mattingly, when he was young and could pull the ball, clearing the electric wires and the creek and the 16-foot signboard fence and half the rows of parked cars beyond it. Such reverie is possible even now, waiting for the season to start in

the emptiness of a spring afternoon. A young man out by second base is scooping water off the infield dirt with a pump.

"If we get some wind and some sun, we'll be fine," said Jake Holloway, lugging a trash can of water across the clipped perennial rye of the outfield toward a drain. You could run forever on that grass, it was so wonderfully hard-packed and buoyantly green.

"Good infield, too," said Mel Lanford, walking up. He is Jake's boss, the head groundskeeper.

"Eighty percent of the game is played in the dirt," he said. "The entire offensive team plays in the dirt and better than 60 percent of the defensive team. Only got three guys standing in the grass while the game is on. That's a lot of grass for three guys."

That's baseball. It's not just slow, it is standing still. Who stands still in America today except those outfielders? The game must be "marketed," now and there must be "entertainment." The minor leagues are no different from the majors, just simpler; between-innings promotions include the dizzy bat races, sumo wrestling and water balloon tosses. There may be no going back to just sitting there, recollecting, passing on baseball stories.

One of those power lines in right field, Lanford noted, does not power anything anymore, but that is no reason to take it down. "Why would you want to?" he asked.

"She's a grand old dame," Lanford said of the ballpark. That she is, and long may she continue to be.

Playoff-Trail Clincher: Blazers Swat Grizzlies

The Associated Press

PORTLAND, Ore. — Damoc Stoudamire returned from a 10-game stay on the injured list, and the Portland Trail Blazers gained the victory they needed to clinch a National Basketball Association playoff berth for the 16th consecutive season.

Arydas Sabonis scored 24 points and Walt Williams had 20 as Portland beat the Vancouver Grizzlies, 108-

102, Thursday night. Stoudamire, who had been out with a badly sprained ankle, had modest numbers — 11 points and 5 assists — against the Grizzlies. But he played 40 minutes.

Williams, who was acquired with Stoudamire from the Toronto Raptors in February, scored 15 of his points in the fourth quarter helping the Blazers overcome the 84-79 lead the Grizzlies held after three quarters.

The Blazers, whose playoff streak is the longest in the NBA, snapped a three-game losing streak with the vic-

tory. The Grizzlies lost for the 23d time in their last 26 games and wasted a 31-point effort by Bryant Reeves.

"It was a war out there between me and Sabonis," Reeves said, "but it was no different than any other night. I had a good game, but it means nothing when you lose like that."

Warriors 98, Celtics 94 in Oakland.

Clarence Weatherspoon scored 12

second-half points, including a decisive tip-in with 1:14 remaining, as Golden State shocked Seattle.

Cavaliers 97, Pistons 96 in

Toronto. Shawn Kemp scored 19

points and Marcus Camby missed a

last-second putback as Cleveland

moved 2½ games ahead of the New

Jersey Nets and the Washington Wiz-

ards, who are tied for the final playoff

spot in the Eastern Conference.

Hornets 94, Bucks 80 in Charlotte.

Glen Rice scored eight straight points

as part of a 12-0 run by Charlotte to

open the fourth quarter. Rice hit two

3-pointers and a dunk during the spurt

that gave the Hornets a 75-66 lead and

their 15th victory in 16 games.

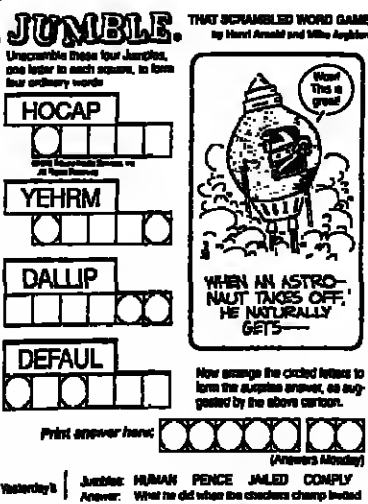
NBA ROUNDUP

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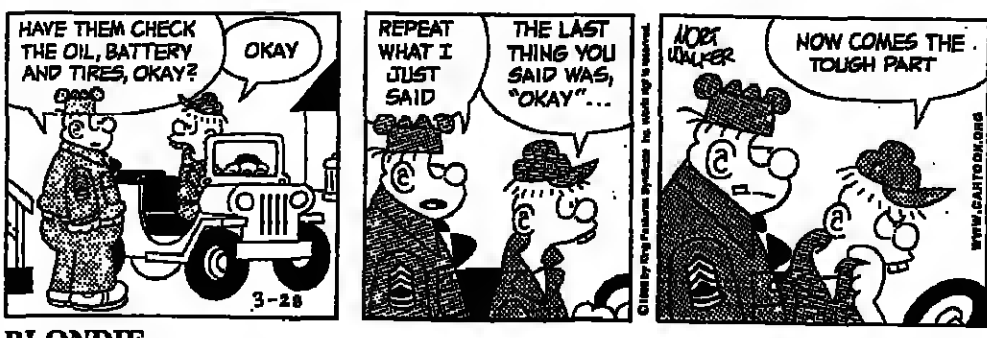
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GARFIELD



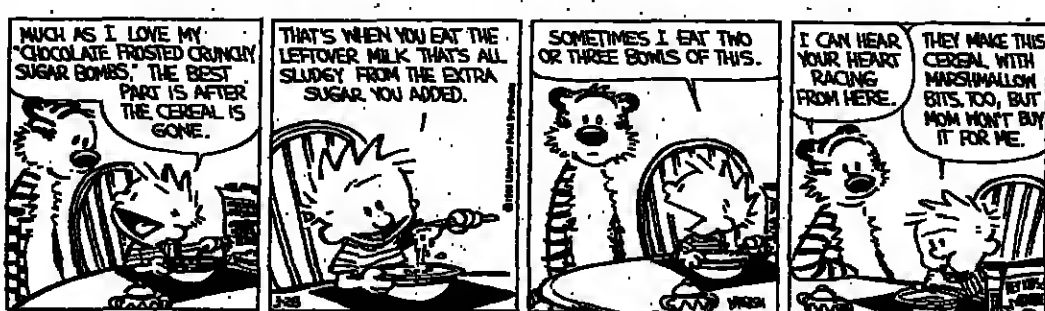
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